20c MARCH 30, 1953

EUROPE'S REACTION TO THE "PEACE OFFENSIVE"

New Republic

McCARTHY'S MONEY

15,000 Words From The Official Senate Report of Its Investigation of the Financial Affairs of Senator McCarthy

"CITIZEN ADLAI" IN JAPAN

The First in a Series of Reports From Stevenson's World Tour

Reviews by

MALCOLM COWLEY STEPHEN SPENDER

The Charles C. Sherrod Library
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Johnson City, Tennessee

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Letters

"Closed" Air Waves

● Can't you stir up a general protest to ABC against the silencing of Mr. Drew Pearson? I never even saw him—may not always agree 100 percent with all his opinions, but when "pressure groups" of either big business or big politics can drive such a man from the air waves, isn't it time we should become alarmed? This 80-percent press, added to "closed" air waves seem to want to deprive us of information we need if we are to "make Democracy live."

Waban, Mass. MRS. IDA RICE

[Readers desiring to communicate with the American Broadcasting Company regarding Drew Pearson's removal from the air can address their letters to American Broadcasting Company, Inc., 30 Rockefeller Plaza, New York, N. Y.—THE EDITORS.]

Farm Prices

● I would like to protest against the flippant, cynical and vindictive statement made by T.R.B. in *Washington Wire*, (*NR*, March 2).

"Again on farm prices: the farm lobby is the biggest, most bipartisan and arrogant in Washington. If Ike disregards it, so much the better. Personally we are glad Ike is letting cattle prices sag, and if farmers get a taste of decontrol that is what they ordered in the election."

The big cattle farmers are not the only farmers, you know. They can probably ride out this market depression. What of the little farmers, though? What of the workers who make farm machinery? When farmers' prices sag, do you think they can buy tractors at $2,500 and $3,000 apiece, tractors which five or six years ago cost only $1,300?

For weeks now, Frank Edwards, AFL news reporter, has spent almost as much time discussing farm prices as labor, national and international news. Why would an AFL news analyst be so interested in this? Is he being paid by this "arrogant" farm lobby? No! The AFL must see some relationship between sagging farm prices and the wages labor will get.

I would like to see some one on the *New Republic* staff bone up on the farm problem. . . .

I suppose the writer meant the Farm Bureau as part of the "arrogant" farm lobby. You are surely aware that the Farm Bureau (and probably Secretary Benson) are merely fronts for the same kind of economic thinking we get from the Chamber of Commerce and the National Association of Manufacturers. There are other farmers besides the ones the Farm Bureau and Secretary Benson speak for. . . .

Harvey, Ill. COLETTE HURLEY

A Cattleman Protests

● In your issue of February 23, T.R.B. writes:

"We can't somehow get worked up over falling meat prices." This I can understand. T.R.B. being a city man, who has to buy his meat, undoubtedly benefits by the drop in meat prices. What we can't understand is, why it had to take over a year for meat prices to go down after cattle prices declined.

T.R.B. goes on saying: "The cattlemen organized the strike against Truman in 1946 by withholding meat etc."

What strike was that? I don't think T.R.B. knows too much about cattle feeding. When cattle are fat, they must go to market. One might hold back for a week or two, but one can't go on strike with a yard full of fat cattle. Perhaps some of the big cattle barons who fatten their cattle on pasture might hold back for some time, but certainly not the thousands of smaller farmers who fatten perhaps from a dozen to 60 or 80 head. And those smaller fellows, who are undoubtedly the big majority, are the ones that get hurt the most. . . .

I hardly expected the *New Republic* to gloat over the misfortune of so many of us.

Dante, S. Dak. GARRETT FENNEMA

Stevenson Is "Too Noble"

● This reader is far from pleased with Mr. Stevenson's splendid (too noble) article (*NR*, Feb. 23).

All will agree as loyal citizens that we should uphold the hands of our President no matter who, but there is no reason why we should go so far as to help ease the way for another Republican victory such as the shameful one we recently experienced, obtained in a large measure by misrepresentation and fraud coupled with vicious abuse of a government at war in which Mr. Eisenhower took no small part. . . .

Portland, Me. ALPHONSUS J. MURPHY

Our New Readers

● I wish to join B. N. in telling you how much *New Republic* has meant to me since the election. Actually, I did not start reading your magazine until several weeks after the election, I began searching the newsstands for some publication that shared the dismay and alarm that enveloped me on the night of November 4. Every week since then I have been from Monday on impatient for Thursday, the day my copy arrives in the mail. Like B. N., I live rather meagerly on a college instructor's salary, but I have vowed henceforth to pinch on consumption of potatoes, if necessary, rather than on a subscription to *NR*.

So strongly do I feel that your magazine could serve as clarifier, confirmer, reassurer and bolsterer to others as it has to me, that for the third time I have failed to resist, and so I am enclosing a check and the addresses of four people whom I would like to have receive *NR* under your 20-week offer.

I have one complaint to make. As a much-diluted Republican, I find the "we Democrats" emphasis of the magazine, chiefly in editorials and your advertisements, somewhat irritating; and I have wondered why you make the emphasis so frequently—as it seems to me you do. . . .

New York, N. Y. R. L. C.

(Continued on page 4)

Bandwagon

Blue Plate Special

Servings of raspberry ice hearts were dessert topping off what Mrs. Luce told friends was an "economy" dinner—in line with Administration policy these days. Mushroom soup, filet of beef with French green beans, avocado and grapefruit salad, champagne and burgundy filled out the menu.—*From the Washington* Post.

Gratifying, Indeed

How does Dwight D. Eisenhower like being President?

Well, said Eisenhower with a hesitant laugh. . . . It interferes with a man's freedom of motion. . . .

However, continued the President . . . it's an inspiration to be in the White House and meet people who are selfishly devoted to the public good.—*From the Orlando* Morning Sentinel.

Power Politics

Farouk, who slept late at his villa today after a big night at a Rome casino, said: "It is true that Narriman has left me and our baby son, and gone off with her mother. Naguib has broken up our happy marriage by using that most powerful of all weapons—the mother-in-law."—*From the New York* Times.

Our readers are invited to contribute; $2 will be paid for each item used. Address Bandwagon, c/o New Republic. Please enclose the original clipping. – The Editors.

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New Republic

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WASHINGTON WIRE

POSTMASTER General Arthur Summerfield, who seems a lusty fellow, boasted last week (according to the UP) that Ike is making good progress in "rooting out the egg-heads" in Washington. "Egg-heads" is the derogatory GOP term for professors and intellectuals—men like Adlai Stevenson—invented in the last election. No egg-head he, businessman Summerfield left school after the eighth grade to create one of the biggest USA Chevrolet agencies. This process of repealing the New Deal by expelling egg-heads continues. Ike has named Lame-duck Rep. Albert Cole, militant enemy of public housing, to head public housing. He has named Edward J. Howrey, long-time attorney and lobbyist for giant industry practicing before the Federal Trade Commission, to be a member of the FTC, the traditional policeman over big business; once confirmed, Howrey will probably be made chairman. David L. Cole, a Republican, named by non-partisan appointment of Truman to head the Federal Mediation service, is ousted; so is Claude Wickard, administrator of the Rural Electrification Administration. Big business and the power trust are coming in as the egg-heads roll. The Reconstruction Finance Corporation (set up by Herbert Hoover to aid small business) will be merged out of existence soon according to plans. A special post "Special Assistant to the Secretary" has been created in the new Health-Education-Welfare cabinet department, and by a deal this will be filled, according to report, with a representative of the doctors' lobby, the AMA. So the process continues. Ike's anti-intellectual bias for Detroit Piston Heads causes concern to some supporters. "The new Administration is long on doers but short on thinkers," *Business Week* magazine warns.

Two short months after Ike took office the same McCarthy-McCarran faction that betrayed Acheson has turned against Dulles. Ike would be in better moral position if he had spurned them in the campaign, but once the issue is joined he deserves all assistance that any decent person can offer. There are some hopeful signs that decency is really taking the offensive, and it can win if Ike gives leadership. Protestant ministers for the first time are genuinely shocked by ex-FBI man Harold Velde's proposal that the Un-American Activities Committee investigate them, and by the outrageous attack by Velde's lieutenant, Rep. Donald Jackson (R, Cal.) on Methodist Bishop Oxnam. President George Shuster of Hunter College, prominent Catholic layman, suggests to educators that they abandon their supine defensive and investigate McCarthy—coldly and definitely. This is democracy asserting itself against potential American Fascism.

The public hardly realizes that with the invention of the machinery for making A-bombs we have created in Washington, in the loyalty investigation procedure, an apparatus almost as destructive in another field. It was Dulles himself who quietly explained this to a tense press audience of 120 when the Bohlen row over loyalty files came to a head last week. The essence of the loyalty check, Dulles said, is to find derogatory material. Beneficial facts are recorded, but rumors from neighbors, rivals and enemies are particularly sought at every place the subject has lived, to find what can be said against him. This great mass of raw material is not evaluated by the FBI—it is brought to the evaluating officer of the agency concerned. No man of any consequence, Dulles explained, can escape aspersions in such material; Dulles has no doubt that his own file (which he says he hasn't looked at) is no exception. This raw stuff is a mixture of fact and rumor; it contains hearsay, gossip and nonsense.

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It is the raw plutonium of which character-assassination A-bombs are made. It is doubtful if even Russia has created such a methodical and diligent apparatus for assembling gossip and scandal for the possible destruction of humans —*if the unevaluated material leaks.*

Now here is where McCarthy comes in. No professional life is safe while these files can come into his possession and while he has libel immunity on the Senate floor. There is hardly any doubt that fanatical McCarthy followers have leaked such material to him. There is no legal redress—nothing but a revival of dueling would give redress. We do not think we are exaggerating this horrifying situation. An FBI agent records the conscientious, or malicious, hearsay report of an acquaintance or enemy of Mr. A, that the latter, say, has been talking at cocktail parties with B, a homosexual. That does it! It is irretrievably in the record. If the lip-licking McCarthy-McCarran team oppose Mr. A, they can say, "Publish the FBI file," or "We have seen the file," or they can pour the whole sewage into the *Congressional Record* without damage suit if a spy tips them off. The A-bomb is milky compared to such stuff.

Evidence accumulates that Eisenhower is deliberately reviving a hands-off attitude toward Congress which political scientists warned against 40 years ago and which in modern circumstances is dangerous. The Constitution—written before the development of political parties—gave the President a theoretical isolation from Congress which would be impractical in the modern age and which was last followed by Harding and Coolidge. But Ike—instead of printing his own tune upon Congress while it was pliable as warm wax in a phonograph record, has wasted the first two most important months of a President. Increasingly Republicans themselves complain of "a certain lack of leadership." This new philosophy of limited government is apparently calculated to reduce friction with Congress (which it may for a time). We hope Ike is flexible enough to discover his own mistake before very long.

Washington T.R.B.

CORRESPONDENCE

(Continued from page 2)

● I have read the *NR* for several years as well as *The Nation*, which I have alternately purchased at newsstands, mainly to keep up support of liberal publications on newsstands. Though I am no new reader to *NR*, I am a new subscriber. Keep up the good work, such as the article on Kansas City *Star* practices in one of the recent issues.

Minneapolis, Minn. FRANCIS J. VESTORAK

The Rev. Davies

● I have been a subscriber to the *New Republic* for many years and I cannot recall any writer whose articles I enjoy reading more than those of A. Powell Davies. Each time I read a piece by him I am impelled to write a letter of commendation. His last one of March 9, on "Education and the Free Mind" is a masterpiece—and how timely it is! You should run that two-page piece at least once every month for the next year, lest we forget the main issue.

New York City J. PHILLIPS

● Please permit me to congratulate you on your splendid editorial "Conformity Versus Freedom" which appeared in the March 9 issue of *New Republic*. The article by Rev. A. Powell Davies entitled "Education And The Free-Mind Principle" was also worthy of great praise.

It seems that the task of educating the public on the grave threats to our liberties is left entirely to liberal publications and liberal writers. The one-party press seems strangely unaware of these threats or is deliberately encouraging the publicity seekers to continue their inquisitorial tyrannies.

It was with great disgust that I read recently that McCarthy, Velde and their cohorts are even anticipating a probe of our nations clergymen. This definitely proves that they will stop at nothing in their reckless pursuit of publicity and power.

The people are slowly but surely awakening to the real motive behind these investigating committees. I sincerely believe that it is a deliberate plot to arouse fear in our nation which will lead to mass hysteria and thus war. I sincerely hope our good people can be aroused to protest the reckless actions of McCarthyism and leave the protection of our welfare to the Justice Department.

New Orleans, La. FRANK E. SMITH

Peter Viereck

● I should like to object to the treatment accorded Peter Viereck in two recent issues of the *New Republic*. Kimon Friar highhandly dismissed his poetry; then Merle Miller highhandedly dismissed his prose. Do you have it in for Viereck? The underlying complaint of Mr. Friar seemed to be that Viereck is a virile poet. . . . And Mr. Miller seems disingenuous in denying that the American intelligentsia has been markedly Stalinist.

When Mr. Viereck brings another book out, please hire a reviewer who will pay him the compliment of taking him seriously.

New York City ANN WEAVER

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New Republic

BURIED BUT NOT FORGOTTEN

MOST OF US are hard up. Many of us borrow money from banks at times. There's nothing wrong in that. Very few of us are in a position to call on the bank president to violate the banking laws by giving us loans beyond the legal limits and without sufficient collateral.

That's what makes the story of the financial dealings of Sen. Joseph McCarthy such fascinating reading. For instance, when Matt Schuh, President of the Appleton State Bank, told the Senator that his collateral would have to be sold to bring his loan back within legal limits, McCarthy replied on June 4, 1949:

Now, damn it, Matt, don't just decide it is a lot easier to sell out my collateral and get rid of your ulcers, but extend yourself and see if you can't do something about this smaller note. I don't know how I shall be able to return the favor, except perhaps by waiting until you retire and then get a Republican President to appoint you a Special Advisor to the Senate—on financial matters.

The letter is published in a Senate Subcommittee report. Regrettably, by now it's a collector's item. Just 2,500 copies were printed, and no more will be printed if McCarthy has his way.

McCarthy's way was made plain from the day the Subcommittee met, in August, 1951, to consider the charge that he was unfit to serve in our Senate. He called the charge a Communist smear. The Subcommittee invited McCarthy to appear. He refused, denying the Subcommittee's jurisdiction. The Subcommittee invited him to raise the question on the Senate floor. He refused to do that. So the Subcommittee placed McCarthy's challenge before the Senate. By a unanimous vote of 60 to 0 the Senate upheld the Subcommittee. Yet McCarthy still refused to testify. The Subcommittee concluded:

"Such action on the part of Senator McCarthy might appear to reflect a disdain and contempt for the rules and wishes of the entire Senate body. . . ." Disdain, contempt *and pressure*! Three Senators left the Subcommittee under McCarthy's pressure. But two Democrats and a Republican stayed on. As the new Senate met, in January, 1953, Sen. Thomas Hennings of Missouri, Sen. Carl Hayden of Arizona, and Sen. Robert Hendrickson of New Jersey, submitted their report, and forwarded it for action to the Attorney General, and the Commissioner of Internal Revenue.

Well? Two months passed and no hint was given that action might be taken. So, on February 27, 1953, we addressed the following letter to the Attorney General and a similar one to the Commissioner of Internal Revenue.

Dear Mr. Brownell:

On January 2, 1953, the Subcommittee on Privileges and Elections of the Senate Rules Committee submitted its report on S. Res. 187, resulting from an investigation of the affairs of Sen. Joseph McCarthy of Wisconsin pursuant to a Resolution introduced by Sen. William Benton of Connecticut. Subsequently, the Subcommittee transmitted the report and its files in the matter to the Department of Justice. We would be grateful for answers to the following questions.

1. What action has the Department of Justice taken pursuant to the Report, and what action is contemplated?

2. The Report (p. 22) indicates that Senator McCarthy diverted to his own use monies contributed to him for other purposes, in apparent violation of 18 USCA sec. 654 and 18 USCA sec. 1914. The Statute of Limitations may expire on these actions in September, 1953. Does the Department intend to take action on this matter before the Statute expires?

3. The Report (p. 23) raises the question whether Senator McCarthy used inside information in order to trade in the soy bean market. Is this question being investigated?

4. At page 37, the Report notes that of $172,623.18 deposited by Senator McCarthy from January 1, 1948, to November 12, 1952, a total of $59,592.52 has not been identified as to source including approximately $19,000 deposited in currency. During the same period, his administrative assistant and landlord, Ray Kiermas, deposited $96,921.26, of which $44,908.43 (including $29,230 in currency) could not be traced to its source. At page 33, the Report points out that during 1946, Senator McCarthy reduced his bank loans $28,401.06 from funds which could not be traced; at page 34 it points out that a total of $39,900.89 was paid off on this loan from untraced funds. According to our computation, this means that McCarthy and Kiermas had as much as $144,501.84 of income from undisclosed sources. Since the Subcommittee had available McCarthy's and Kiermas' Federal and State income tax returns, the inference is clear that the source of these funds was not disclosed for income tax purposes, in apparent violation of 26 USCA, secs. 145 (a) and (b) and Wisconsin Statutes 71.11 (41) and (42). What action is the Department taking, or does it contemplate, on this matter?

It will be observed that the Report, at page 36, notes that Senator McCarthy has violated Federal and State income tax statutes in connection with interest manipulations on his Appleton Bank loans, which makes it the more probable that violations have occurred in connection with the matters covered by the Report.

We will appreciate a prompt reply.

Sincerely,

MS:hbc

S/ Michael Straight

We asked for an early answer. Commissioner T. Coleman Andrews replied that the matter "will receive most careful consideration in connection with the determination of the tax liability of the taxpayer involved." We have had no answer from the Attorney General.

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THE WEEK

OPEN WARFARE

Sen. Joseph McCarthy has called Secretary of State John Foster Dulles a liar. The excuse: Dulles says there is no difference of opinion between him and R. W. Scott McLeod, State Department security officer, as to *final* evaluation of the FBI report on Charles E. Bohlen. The reason: Emboldened by the Administration's surrenders, McCarthy is again trying to gain access to raw FBI files containing rumor, anonymous accusation and plain "spite talk"—all of which have tremendous headline and coercion value for anyone determined to club his way into the White House.

McLeod was appointed as a peace offering to McCarthy, whose man he is. His job, says Dulles, "is to raise doubts and find suspicious circumstances." Accordingly, in forwarding the Bohlen file to Dulles, McLeod emphasized its derogatory aspects. It is Dulles' duty then to evaluate the *entire* file and reach a final decision. There cannot, consequently, be a formal difference of opinion between these men; their duties and responsibilities do not overlap.

Dulles evaluated, decided and presented his decision on Bohlen along with a summary of the file to the Senate Foreign Relations Committee. It contained, he testified, "not one iota" of "definite concrete evidence of . . . dereliction." The committee approved Bohlen's nomination 15-0.

"If," said Dulles, "matters can't be dealt with and disposed of in that orderly way, it will very much disorganize the conduct of public affairs and foreign affairs at a very critical moment in our history."

But McCarthy seems little concerned with orderly processes of government. Sensationalism has been his method, and he must rise or fall with it. For those invulnerable to a charge of disloyalty, he has the vague term "security risk" which allows him to make headlines out of any rumor or innuendo he cares to publicize. Those who object openly to his methods and his judgments must be discredited else they may harm him and thwart his ambition. Each success adds to his power, his boldness and his ability to coerce those who already are frightened of him—far too many Congressmen and Senators are among the latter.

McCarthy claims to know the contents of the Bohlen file and implies his source is McLeod. If this is true, McLeod is guilty of a breach of security regulations. Already McCarthy's man, McLeod could be invaluable as a tool if McCarthy's aim is to usurp the powers of the Secretary of State. But Dulles must first be discredited.

Dulles has begun to fight back. The breach is real and can no longer be hidden. The President will have to take sides sooner or later. In the meantime, those whom Sen. Charles Tobey has characterized as "a small group of willful men" trying "to stab the President in the back" will grow bolder.

VICTORY FOR MORSE

Although he has been given short shrift in the United States Senate, Wayne Morse of Oregon won a singular victory in his home state recently. A bill to bar him from the ballot as an Independent candidate was buried in the Elections Committee of the State Senate by a 4-to-1 vote, with one of its original sponsors, Sen. Gene Brown, taking the lead in urging that it not be allowed to reach the Senate floor.

"The bill was a mistake," said Brown. "A canvass of Senators has shown me it would be defeated." Indeed, several sponsors of the anti-Morse piece of legislation silently struck their tents in the night. The bill aimed at Morse appeared for the first time on February 13 with eight state senators listed as authors. Newspaper reporters noted recently that the official calendar of the Oregon Senate shows only six names.

One responsible leader of the Republican Party in Oregon, a man bitterly opposed to Morse, said in Salem, he felt the bill directed toward taking Morse off the 1956 ballot "had the equivalent value to Morse of a campaign fund of at least $50,000."

EXTRA! EXTRA!

As in the case of the Nixon fund story, the attempt by the one-party press to underplay the Wesley Roberts story has finally been smoked out. Exactly 10 days after the Kansas State Senate opened its investigation into the 10-percenter activities of the Republican National Committee Chairman, the exemplary New York *Times* printed its first story of the probe. Perhaps because of a feeling of guilt for having been so remiss, the *Times* finally sent its chief political correspondent, W. H. Lawrence, to Topeka in time to report that the Republican State Attorney General, Harold Fatzer, had filed in the Shawnee County District Court a suit for recovery of the full $110,000 purchase price of the building which Roberts sold to the state. Even Fatzer, who was not anxious to probe the Roberts deal had to admit there was ground for such a suit since the building was presumably the property of the state, by virtue of having been built on state-owned property.

The Washington *Post,* which had been satisfied with the three and four-inch stories supplied by the wire services during the previous week, decided on March 20 to give the investigation serious treatment in a round-up story by Edward Folliard. This was followed by an editorial on March 22 calling for Roberts' resignation. Although the *Times* at this writing has not risked an editorial on Roberts' qualifications to lead the Republican Party's crusade to restore morality in government, W. H. Lawrence did speculate in a news story that whether Roberts can continue as Republican National Chairman will depend on the Senate Committee's report "and the public's reaction" to it.

The *Christian Science Monitor,* published in Boston, is the one Eastern newspaper that has given the Roberts' investigation the attention it deserves.

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EUROPE'S REACTION TO THE "PEACE OFFENSIVE"

THE GENERAL tendency in Western Europe is to accept—temporarily—pretty much at face value the words coming out of Moscow. If they are not frank and honest, they are also not necessarily false. One reason for this attitude is that those Western European experts in the Kremlin's habitually tortuous and tortured ways, who looked for lies or at least tricky twists in the news given out during and after Stalin's illness, seem to have been mistaken. So far as anyone outside Russia can tell, Moscow kept close to the confirmable facts. Even more significantly, it broke with the whole Leninist-Stalinist tradition by speaking with the same voice and saying the same things both for the domestic public of the Soviet world and for the public beyond the Iron Curtain.

Another reason is the widespread belief in Western Europe that the new team in the Kremlin must inevitably be more concerned—at least during the early post-Stalin period—with trying to win domestic unity than with splitting the Western peoples. And a clue to the method is to be found in the language of the first important statement issued, the appeal to unity published immediately after Stalin's death.

It was addressed to the "workers, collective farmers and intelligentsia." Almost 30 years before, the equivalent appeal made after Lenin's death, had been addressed to the "alliance of workers and peasants." While it is true that Stalin himself declared, in 1931, that "no ruling class has been able to get along without its intelligentsia," the assignment to the intellectuals of a role as high as that of the workers and farmers at a time when the Soviet world goes through the most dangerous transition in its history throws some light on the methods of the new leadership.

In the last years of Stalin's dictatorship, he was deliberately deified. He was made the godhead of a creed and the messiah of a crusade. Necessarily, the basic appeal was to faith. Reason was disprized, often persecuted.

But in the absence of Stalin, the dichotomy fear-faith must be replaced. Georgi Malenkov may aspire to the succession; but in Western Europe it is believed that he is not fool enough to believe that a laical canonization that took 30 years and perhaps as many millions of lives can be repeated. Neither he nor his two fellow-oligarchs Lavrenti Beria and Vyacheslav Molotov can hope to attain the Stalin-type "father-king-god" leadership.

Similarly, they must know that if there is any leader in the world who has a chance to lead a crusade, with its emotional implications, he is not Russian or Soviet. Any Russian (or group of Russians) pretending to inherit the magic of Stalin—"the liberator of the Soviet world"—would obviously be second-rate, at a great disadvantage against Eisenhower, the authentic liberator of Europe.

If Malenkov and his team are choosing as their (temporary) approach anything even remotely resembling intellectual clarity and honesty, or at least confirmable factuality, then not only the psychological warfare but the basic political concepts of the West in the Cold War need to be revised (temporarily).

Most Western European organs of opinion preach vigilance combined with prudence and caution. The London *Times,* for example, writes: "Western policy, faced with great uncertainties in which opportunities and dangers are equally concealed, can only follow the rule of doing what can be done to avoid collision and encourage restraint." The Sunday *Times* says: "We must beware of oracles and portents, and hold to facts." But the London Observer makes an appeal for more daring—intellectual and imaginative. It writes: "We have to keep our minds wide open and be prepared to re-examine ideas and appreciations formed in the Stalinist era: they may be out of date."

"Europe in the Spring" of 1953 is a far cry from the place Mrs. Clare Boothe Luce wrote about in a book with that title published in 1940. And it is questionable whether her husband's *Time* has contributed much to the success of the emergent intellectual struggle with post-Stalinist Russia by the five-page piece on *Journalism and Joachim's Children* which is supposed to be about "intellectuality, its condition and its prospects." The identification of Communism with a medieval Christian heresy; the lumping together as heretics of the medieval Fraticelli and Béguins with Comte, Nietzsche, H. G. Wells, Lenin and Harold Laski; the synthetic creation of a sin called Gnosticism (apparently the US equivalent of Soviet cosmopolitanism); the total misuse of the doctrine, "Moscow, the third Rome" of the Monk Philotheos of Pskov—all this pretentious and pompous intellectual garbage is scarcely a preparation of the US public to re-examine ideas and appreciations.

If *Time* and *Life* set the intellectual tone for the large US public (and benighted Europeans fear that they do), and if therefore the honest liberalism of the Jeffersonian tradition is to be tarred with the brush of heretical Gnosticism, the anti-US European intellectuals (for whom the London *New Statesman* speaks) can talk of America's "permanent counter-revolution." Yet, in reality, there are vast resources of sound—and soundly liberal—thinking in the US that can be tapped for new ideas—good, simple and clear ideas—to meet the new challenge of what post-Stalin Russia may have to offer.

At a time when thoughtful Western Europeans are—rightly or wrongly—taking Moscow's words at their face value, we should be offering not only words but deeds of greater value. An intellectual competition is taking its place within the continuing conflict. And thoughtful Americans should have better leadership than that of *Time* which on the page after its credo, writes: "Few observers even tried to deny that Congress has the right to investigate colleges or *anything else it chooses.*"

Paris FRANK GORRELL

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"CITIZEN ADLAI" IN JAPAN

by Hessell Tiltman

ADLAI STEVENSON is in politics to stay. That is the inescapable conclusion pointed up by the timing and nature of the ex-Governor's personal "One World" tour which began when a jaunty and smiling "Citizen Adlai" (as the English-language Tokyo *Evening News* headlined) stepped off his plane at Tokyo's Haneda International Airport on the first lap of a trip that will serve to keep the Stevenson profile and Stevenson word before the American public during coming weeks.

The evidence that Mr. Stevenson's trip is no ordinary "once in a lifetime" vacation journey was clear to most of those who saw, at close range, the "unemployed" Democrat's "machine" at work during his brief stay in Japan. Stevenson and his four-man entourage operated as a team—each assigned to his own orbit in order to cover as much ground and collect as many "briefings," from working correspondents as well as top "brass" and high officialdom, as possible.

The fact that Adlai Stevenson's tour will take in the world's danger spots; that he is accompanied by a magazine editor and has commitments to write himself; and that he is traveling with the air of an emissary bent upon forwarding his nation's welfare, all point to the same conclusion. Tourists, however eminent, do not ask the sort of questions Adlai Stevenson has been asking. They do not make such high-pressure trips—or see so many people in so few hours. (A circumstance, incidentally, which revealed some of the Stevenson "team" to be political amateurs in the protocol jungle who, until the Tokyo experience, had not clearly realized the amount of time that could be wasted on the "must" appointments that are an integral part of a VIP pilgrimage of the sort Stevenson has undertaken.)

"Citizen Adlai" kept the time-wasting to a minimum. He made it clear from the start that he wasn't in Japan as a sightseer.

Little more than one hour after de-planing at Haneda Airport, he was meeting with correspondents at the US Embassy—and handling the occasion adroitly. (Stevenson's reply to a question on the controversial, in Tokyo, issue of Japanese rearmament: "I am in no position to comment. However, I trust that the Japanese will do what is best in their own interests and that their conclusions will coincide with the interests of my own country.") The same evening, Stevenson was guest of honor at a dinner party given by Foreign Minister Katsuo Okazaki. And from there on out, his time and the time of his "aides" was filled—overfilled—with a continued procession of "briefings," meetings, visits (including one to American wounded in Korea at Tokyo General Hospital; said Adlai Stevenson: "I haven't been through enough hospitals to become immune to it"), callers, chats and questionings. All attuned to his advance statement that he came to Japan as a private American citizen "to listen rather than to talk."

Stevenson made only one public speech—as guest of honor at a luncheon of the America-Japan Society. That speech, with its statement that "Asia is the Area of Decision in an Era of Decision" was hailed by the Tokyo *Evening News* as "one of the most memorable speeches delivered in this country in the English language" and by the largest luncheon audience in the Society's history, for its "global approach to everything, recognizing where the problems are." The English-language Japan *News* stated: "The urbane and courageous Adlai Stevenson reminded Japan that if 'vision, humanity and practicality' provided the common purpose of [US and Japanese] joint enterprise and progress together, we need have no fear for the future because it belongs to the free man'." While the Nippon *Times* commented: "It is reassuring that an American leader of Mr. Stevenson's caliber has added his voice to the growing recognition of the important role of Asia in the worldwide struggle to keep freedom alive."

The Stevenson visit aroused keener interest among the foreign community in Tokyo than any other recent arrival in that city—in which during recent fabulous years, "visiting firemen" have been a dime a dozen, or even cheaper. Between the time the Stevenson party checked in at Tokyo's Imperial Hotel and their departure for Kyoto and Korea 65 hours later, Adlai Stevenson covered an immense amount of useful ground and impressed all comers with his unusual combination of modesty and competence. So tight was his schedule that, as someone put it: "It's difficult to believe he isn't still running for President."

On the day of his arrival, the Tokyo *Evening News* reprinted in full (and under the headline "Stevenson Speech Will Live") Adlai Stevenson's speech accepting the nomination of the Democratic Party last year. "Once in a while, much too rarely," that paper said, "expressions of certain basic philosophical principles are made in such a lucid and convincing manner as to make the words

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more memorable with time. Adlai Stevenson . . . rendered an address which was, we firmly believe, one of the most cogent interpretations of the true spirit of democracy—humility coupled with recognition of obligation to serve the general welfare—that has been heard in many years."

In the Japanese vernacular newspapers, the Stevenson visit took second place to the Japanese Cabinet crisis, and the return to Japan of the Japanese Repatriation Delegation from Red China, from which it is hoped that 30,000 long-marooned Japanese expatriates will come home soon. To the Suzuki-Sans of Japan, Stevenson was a politician who had recently lost an election. As one official put it to me: "Our people in general do not appreciate the unique position that ex-Governor Stevenson gained by his manner of campaigning for the Presidency." Informed observers saw the relative indifference of the public and absence of editorial comment in the Japanese-language press as illustrating once again the fact that the Japanese, more than most people, worship success. In 1945, Tojo lost and MacArthur won—so in those days it was "Idiot Tojo" and hurrah for "Makassar," boogie-woogie and hot dogs. In 1952, Adlai Stevenson lost and "Ike" won. And so the feverish speculation in the Japanese press, back in December, concerning whether President-Elect Eisenhower would look in on Tokyo enroute to or from Korea found no such feverish speculation concerning what Ex-Governor Stevenson might say or think while in Japan.

Higher Japanese officialdom, more astute in assessing the significance of the visit, treated the "jobless Democrat" in a manner befitting one of the most important living Americans. All doors were open—wide. All political celebrities, from a politically harassed Prime Minister Yoshida down, were waiting with hands outstretched in welcome. Japanese with whom I have talked were immensely impressed by the grasp of essentials, breadth of outlook and "world eye" displayed by the visitor. Even the fact that Stevenson—first American VIP to touch down at Haneda since Japan's surrender who was not met by Occupation or US Security Forces military police—was "welcomed" by what the Tokyo *Evening News* termed the "vortex of a shoving, jabbing, prodding, maelstrom of animate flesh," composed largely of press and amateur photographers and curious bystanders whom the handful of Japanese police on hand could not control, constituted a tribute to the magnetism of the visitor.

If the impact upon thoughtful Japanese of a visitor who might one day head the most powerful state in the world was impressive, the impact of Japan upon Adlai Stevenson was equally so. His tireless questioning indicated he was interested in about everything concerned with that country in whose hands, he told the America-Japan Society, rests the destiny of Asia and the world.

But two items touched upon in "briefings" gave the visitor what were perhaps his biggest jolts. The first concerned the basic situation confronting Japan—the fact that Japan's home islands, no larger in area than Montana and with only about 17 percent cultivable land, support a population of 85 million people, still increasing at the rate of around one million annually. The second was the suggestion that Japanese intellectuals are, by and large, 10 years behind in their thinking due to the long period during which the nation was "blacked out" by "thought control," war and Occupation. (So intrigued was Stevenson by this revelation that he requested further information.) In addition, he displayed keen interest in the prospects of political stability in Japan, which hinges on the workings of the *oyabun-kobun* (leader-follower) system under which Japanese political parties are in reality made up of so many semi-autonomous groups, each taking orders from its own "boss" and voting generally as he directs. Hence the political crisis on Diet hill in Tokyo which coincided with Adlai Stevenson's visit, and during which the three Opposition parties in Japan's House of Representatives and no fewer than three separate groups of anti-Yoshida dissidents within the ruling Liberal Party were dizzily maneuvering to oust Prime Minister Yoshida from office. (Mr. Stevenson was warned by correspondents that the "boss" system as it has long existed in Japan differs in some respects from that which once flourished in Chicago!)

What did the Stevenson visit to Tokyo—fleeting but intense—add up to? The most significant result, alike for the United States and the visitor, was the impression that "Mr. Democrat" made on those Japanese who managed to meet him or hear what the Japan *News* termed his "hopeful and heartening words" and "well-polished rhetoric."

"Citizen Adlai," the most important private citizen seen in Tokyo since the Pacific war, lived up to the advance billing. If his world-trip may be regarded as a pilgrimage, then the ex-Governor of Illinois is the ideal of what an American pilgrim should strive to be—modest, reticent, eloquent when necessary, competent, essentially democratic, and—so far as the circumstances made possible—accessible.

A Tokyo wit summed it up in a wisecrack. "Adlai Stevenson," he remarked, "is that rare bird—a VIP who after three or four days in Japan won't return home to pose as an expert on Oriental affairs."

This is the first of *NR's* exclusive series of reports on Adlai Stevenson's round-the-world trip. Articles by well-known foreign correspondents will cover every major stop on Stevenson's route. Next week Mac R. Johnson, N. Y. *Herald Tribune* correspondent, will write from Korea.

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SEASON FOR PLUNDER

II. THE DAY THEY AUCTIONED OFF RAINIER PARK

Richard L. Neuberger

TACOMA, WASH., *April 1, 1956*

THREE YEARS after Harry Truman had gone home to Independence, Mo., the inflation still continued. Lumber prices were as high as ever. The virgin stands of Douglas fir along the foaming Nisqually River had brought $48 for each thousand board-feet of lumber, and state land agents happily estimated that at least 90,000 board-feet would cloak every wooded acre in Rainier National Park.

At first, the announcement that the great green groves would be auctioned off had proved something of a jolt to even the most zealous advocates of states' rights. After all, these trees had been growing before the lookout of the *Santa Maria* sighted San Salvador. They had towered 250 majestic feet in the air when Lewis and Clark trudged West. Only the boundaries of the National Park, created in 1899 to provide a forest frame for a lordly mountain, had saved these needled solitudes.

But now the scenic wilderness had served its purpose. If California was to get federal oil, why should Washington not be allowed to exploit federal timber, water, and minerals? What was fair for one state had to be fair for all states.

Of course, Rainier National Park was far from being so obvious a bonanza as the marginal seas, and yet it might be susceptible to a long, methodical conversion into cold, hard cash.

This profitable acquisition had started when the new administration gave to Texas, California and Louisiana the petroleum deposits lurking off the ocean shore. The transfer of the oil deposits to state ownership had prodded every state without such tidal deposits into taking a close look at federal holdings within its borders.

Wyoming immediately had wondered why the icy lakes of Jackson Hole, indefinitely barricaded behind the protective cordon of a National Monument, should not be tapped for irrigation and hydroelectric power. If the tidelands belonged to Texas, why didn't Jackson Hole and the Yellowstone belong to Wyoming?

Oregon, where sentiment for state jurisdiction over the Public Domain always had been strong, was next to get into the act. This state's original school lands had been looted with much financial success in the frontier era. The Mount Hood National Forest did nobody in Oregon very much good, just sitting there like a picture postcard, to be stared at. Think of all the two by fours into which those dense fastnesses might be sawed! A handful of troublemakers in a garden club in Portland complained that logging off the forest might jeopardize the city's supply of drinking water, but they soon were hushed up.

And now the tide of opinion swept across the nation in a mighty wave. People were bowed down with local and state taxes. Yet here was a magical way to lighten the burden. A speech had even been made in the New York Legislature pointing out that West Point could be sold for $20 million to be used as a boys' prep school.

Colorado, which had been in difficult financial circumstances because of a disproportionate amount of state revenues allocated to old-age assistance, recouped handsomely by selling 550,000 acres of grazing land in the White River National Forest to ranchers and stockmen. The Denver *Post* had protested vigorously when the original transfer was made from the US Forest Service to the state, but it was pointed out that this newspaper sometimes indorsed Democrats for office and thus was unreliable. The upland meadows of the White River made tasty forage for beef cattle.

As the federal government divested itself of these vacant stretches of acreage, the process inevitably was accelerated. Each state sought to be as enriched as the state next-door. California, not content with its oil wells beneath salt water, sought to offer the colorful old military garrison of the Praesidio as a site for a swank beach resort. Kentucky's Attorney-General even began to size up his state's possible claim to the gold ingots buried at Fort Knox.

Only the District of Columbia seemed beyond the possession of any state, and rumors were current that Virginia and Maryland believed several federal buildings in Washington might make magnificent luxury hotels, the shift in ownership to be accomplished, of course, through the conduit of one of these states. Raymond P. Brandt of the St. Louis *Post-Dispatch* discerned some significance in the fact that neither state had dared to bid on the House or Senate Office Building.

In South Dakota a wealthy promoter of carnivals and medicine shows negotiated at Pierre, the capital, for exclusive rights to charge admission for viewing the carved heads of Lincoln, Washington, Jefferson and Teddy Roosevelt on Mount Rushmore. The legislature

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scoffed at the promoter's first offer of $500,000 a year but finally decided the state would settle for $1,250,000. The promoter said he already had purchased the world's largest sheet of canvas, which would be fixed to a huge steel scaffolding to permit only those who had passed through a turnstile to glimpse Gutzom Borglum's tremendous handiwork.

The state of Washington, with a proud progressive tradition, had hesitated to participate in this jamboree. Even if other states were taking over erstwhile federal properties and subjecting them to commercial development, Washington would leave intact the holdings of the national government.

But the pressures inside the state of Washington slowly intensified. Citizens were struggling to pay for schools, prisons and roads with a crushing three-percent general sales tax. True, Washington could claim no off-shore oil, but it did harbor several vast National Parks. Rainier was first to come within the piercing vision of those who sought to place Washington on equality with those states which had benefited financially by acquiring US reserves of various kinds.

Because the necessary legal precedents had been established in the historic case of the marginal seas, the essential contractual arrangements were speedily complied with. The state of Washington would acquire in fee-simple the 241,500 acres of Mount Rainier National Park. In return, the state had to consent to the usual stipulation—that it would administer this gift "as faithfully, profitably and efficiently as Texas, California and Louisiana have administered the oil reserves under the ocean."

Within a week after the property had been transferred, sealed bids were being accepted in the Pierce County courthouse at Tacoma.

On the day the bids were opened, the courthouse sounded to the pounding feet of lumbermen. This was the most lush sale since the halcyon days of Frederick Weyerhaeuser himself. Who could recall when trees like this had been available for purchase? One Alpine fir, shaped like a church spire, was as tall as a skyscraper. Think of the lumber in its gnarled height! As the envelopes were opened, the most generous bidders stepped up to the cashier and enthusiastically made out checks in five or six figures. State Land Board clerks issued certificates of title as fast as they inked their stamps.

But lumbermen were not the only individuals to share in this long-delayed harvest. Mining companies were bidding on hillsides of copper and precipices possibly honeycombed with nickel and barium. Flatbed trucks carrying steam shovels and bulldozers jammed the streets outside the courthouse. They had full fuel tanks, ready for the dash over US 410 to the old park headquarters at Longmire, where maps would show the exact location of new land acquisitions. (As these words were written, various states had purchased stretches of the federal highway system and set up tolls and fees. US 410, however, still was the property of the national government, although negotiations had opened for its disposal.) All the Park Rangers had quit in a huff rather than participate in the transfer, but a cook for one of the trail crews had conscientiously stayed on the job to point out where logging, drilling and digging would begin.

Florists competed with each other for the privilege of digging up the Avalanche lilies, Pacific trilliums and springbeauties in Paradise Valley. A plush Seattle night club offered the highest bid for the exclusive right to blast chunks out of Emmons Glacier, longest tongue of ice in the United States. The club's proprietor, the husband of a lithe fan dancer, planned a nationwide advertising campaign to herald the fact that his cocktails and highballs were cooled with ice which already had been frozen when Salome took off her seven veils.

Then, of course, there were some minor contracts, almost too trivial to mention. A packing plant won the exclusive privilege of turning into meat and hides the famous bearded white mountain goats inhabiting Emerald Ridge and the crags of the Cowlitz Chimneys. The goats would be easy to shoot, for they had been protected by the borders of the park for so long that no more were they wary of men with guns. Three fish markets bid identically and had to share a claim to the gleaming trout in the white-riffled streams of the ex-National Park.

After all these lucrative agreements had been concluded, we left the courthouse and drove slowly in the direction of Rainier Park. We stopped for hamburgers and milkshakes at a wayside inn. The owner was slightly nervous because he felt sure no tourist ever would come again. He reconciled himself, of course, with the thought of the lumberjacks and miners with bulging pocketbooks, who already were following close behind the first portable sawmills and blasting crews.

I wondered fleetingly if the loggers would be as perennial as the tourists, but soon banished this unworthy thought from my mind.

When we crossed the border of what had been Rainier National Park, we thought we heard behind us the distant warning cry of "Timber!" Perhaps the rustling crash that came, faint and far off, to our ears was the first of the great trees toppling to earth. Yet it might have been only the sound of the Arctic-born North Wind, whistling mournfully across this new citadel of state's rights after its passage over the densely forested Crown lands of British Columbia.

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OFFICIAL SENATE REPORT:

THE FINANCIAL AFFAIRS OF McCARTHY

FOR CONDUCT *unbecoming a member of our highest legislative body, a man may be expelled from the Senate of the United States. Accordingly, on August 6, 1951, Sen. William Benton of Connecticut called upon the Senate to determine whether expulsion proceedings should be instituted against Sen. Joseph R. McCarthy.*

For the next 14 months, the Senate Subcommittee on Privileges and Elections worked to obtain the facts. It was handicapped because, in the Subcommittee's own words, "Senator McCarthy deliberately set out to thwart any investigation of him by obscuring the real issue . . . by charges of lack of jurisdiction, smear, and Communist-inspired persecution." Since it was able only to open up the problems raised, the Subcommittee submitted its report in the form of six questions, which McCarthy refused to answer, with its comments. The following pages contain the official text of the Subcommittee's report. Deletions made for reasons of space omit nothing germane to the issues involved.—NR *Editor's note.*

Whether Under the Circumstances It Was Proper for Senator McCarthy To Receive $10,000 from the Lustron Corporation

DURING the 80th Congress, Senator McCarthy was a member of the Banking and Currency Committee, which had jurisdiction over both the RFC and the Housing Agencies, as well as the Committee on Expenditures in the Executive Departments, which was also interested in some of the Lustron operations.

The Lustron prefabricated steel house, endorsed by various veteran and other organizations and sponsored by the Housing Agencies was ultimately financed by the RFC, over its initial objection due to the fact that the private-risk capital involved was negligible. A series of seven loans totaling $37,500,000 were made between June 30, 1947, and August 29, 1949.

The venture was a failure; the RFC instituted foreclosure February 14, 1950, and the loss to the government will reportedly exceed $30 million. Incident to a subsequent inquiry by the Senate Subcommittee on RFC, it was developed that Lustron had been mismanaged; that frauds had been practiced upon it; and that excessive salaries were paid officials, such as E. Merl Young, because of alleged influence. The payment of the $10,000 Lustron fee to Senator McCarthy was also referred to.

During the pertinent period of the Lustron operations, both Lustron and the RFC were particularly sensitive to the will of Congress; Lustron because, aside from an initial relatively negligible investment, it was entirely financed by public funds; the RFC because its authority expired as of June 30, 1947, and Congress was obliged to temporarily extend it for one year.

On January 14-15, 1948, the Senate Banking and Currency Committee, at Washington hearings, developed through Lustron president, Carl Strandlund, that he had been advised of his need for Congressional support of his venture and that he accordingly did see many Senators and Congressmen to present the merits of his project.

Senator McCarthy, a sponsor of the resolution of July, 1947, which created the Joint Committee on Housing, took an active part as Vice-Chairman, in its nationwide hearings on housing conditions. Upon the completion of the housing inquiry on March 15, 1948, Senator McCarthy filed his own report reflecting his views on housing and related proposed legislation, and favored encouragement of mass-produced homes. He particularly commended the Housing and Home Finance Administration and recommended that Administrator Foley's salary be increased.

Various amendments and additions to the Housing Act, some of which were sponsored by Senator McCarthy, were ultimately approved by the Senate and were incorporated into the related housing laws. Section 102 of Public Law 901 authorized the RFC to make loans to pre-fab manufacturers, aggregating no more than $50 million. This provision gave the RFC additional funds and authority to make its third Lustron loan of $7 million on February 14, 1949, as well as the subsequent loans. The Act also provided for an increase in the salary of the HHFA Administrator.

A few days subsequent to the enactment of the new Housing Act, Senator McCarthy contacted Administrator Foley to request his assistance for Miss Jean Kerr, of his office, who was working on a housing manuscript. The HHFA co-operated and assisted her in the compilation of data through December, 1948. HHFA Administrator Foley, in a letter dated February 23, 1951, to Senator Maybank, Chairman of the Senate Committee on Banking and Currency, outlined in detail the part played by his agency in the preparation of Senator McCarthy's housing booklet, their review and corrections of three separate drafts.

These Subcommittee hearings of May, 1952, developed that Senator McCarthy approached Strandlund

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during October of 1948, setting a price of $10,000 for his housing manuscript, which was "not in publishable form," and that Strandlund agreed to it without any prior consultation with his public relations or executive staff, or notification to the RFC, and at a time when Lustron had not completed its machinery and tooling installation, had a huge backlog of orders and had completed only a few sample houses for demonstration purposes. . . .

To appreciate the urgency of the hasty negotiations with Lustron to obtain a $10,000 fee on November 12, 1948, it is essential that we consider Senator McCarthy's over-extended debt position at the Appleton State Bank, which became quite desperate during September through November of 1948. Although the bank had notified him that it was essential that his total bank debt of $72,943.96 be reduced or his collateral liquidated, Senator McCarthy did not use the Lustron fee for this purpose but bought stock with it which he pledged as additional collateral for the loan. The Lustron check for $10,000, dated November 12, 1948, issued to "Joseph R. McCarthy," was endorsed in blank over to Wayne Hummer and Company, the Senator's broker to purchase additional stock of the Seaboard Airlines Railroad.

It may or may not be significant that the Seaboard Airlines Railroad was also financed by the RFC and at the time indebted to the RFC in excess of $15 million. Our inquiry developed that during October, 1948, Senator McCarthy purchased 1,500 shares of Seaboard common stock at an average price of $22 per share; that this railroad had been in receivership since 1930, came out of reorganization in 1946 to be operated under a voting trust arrangement through April 1, 1951, and that the Lustron $10,000 fee was used to increase his Seaboard holdings to 1,950 shares. These holdings were pledged by Senator McCarthy to support his Appleton bank loans. While it is not known whether Senator McCarthy's information with respect to this stock had anything to do with his position as a US Senator, it is interesting to note that McCarthy suggested speculation in Seaboard stock to others. . . .

Our inquiry developed information which reflected that at the time of Senator McCarthy's purchases of Seaboard stock, it did not appear to an "outsider," or to the uninformed, to be either a good investment or speculation, particularly since no dividends had been declared since long prior to receivership in 1930, and, further, because the common stock was encumbered by the voting trust agreement.

Although the depreciation of the stock market had its consequent effect upon his pledged collateral, and Senator McCarthy was obliged to sell 250 shares of Seaboard in 1949 and 1950 at a loss, he resisted the bank's suggestion that the balance be liquidated, and on August 25, 1950, advised the Appleton State Bank that he had checked with some of the directors, who advised against the sale. Senator McCarthy held 1,700 shares until the RFC had disposed of its Seaboard holdings and, on September 12, 1951, he sold 1,000 shares for a net profit of $35,614.75. . . .

Seaboard was quoted recently on the New York Stock Exchange at $113.

The Subcommittee extended to Senator McCarthy, on May 7, 1952, the opportunity to appear at the scheduled open hearings on Lustron for the purpose of presenting testimony relating to this specific charge, as to the Lustron fee. He ignored the invitation but in a sardonic letter dated May 11, 1952, he discussed the Subcommittee's misfortune in being deprived of its "star witness." (The person referred to was Robert Byers, Columbus, Ohio, builder, who apparently just prior to the Subcommittee's May, 1952, hearings had a breakdown.) Senator McCarthy said:

> If only you had set the hearings 10 days earlier before the Judge committed your star witness to an institution for the criminally insane, you would not have been deprived of this important link in the chain of evidence.

. . . It was the same Robert Byers who engaged Senator McCarthy on two separate occasions to appear at promotional dinners at Columbus, Ohio, for a fee of $500 and expenses in connection with the Byers' Housing Project. It would also appear to be the same Robert Byers to whom Senator McCarthy referred on page five of his individual report to the Joint Committee on Housing, as follows:

McCARTHY HITS BACK

October 4, 1951

The Hon. Guy M. Gillette,
United States Senate, Washington, D. C.
Dear Guy:

This is to acknowledge receipt of your letter of October 1 in which you offer me an opportunity to appear before your committee and answer Senator Benton's charges.

Frankly, Guy, I have not and do not intend to even read, much less answer, Benton's smear attack. I am sure you realize that the Benton type of material can be found in the Daily Worker almost any day of the week and will continue to flow from the mouths and pens of the camp-followers as long as I continue my fight against Communists in government.

With kindest personal regards, I am

Sincerely yours,
Joe McCarthy

McC:ct

Copy of Exhibit No. 5

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The main outstanding example of what a builder of conventional houses can do was found in Columbus, Ohio, where very attractive veterans houses are being built in sizable quantities to be sold at approximately $4,000.

From such facts the obvious questions which suggest themselves, particularly in the absence of any explanation from Senator McCarthy, are:

Are there other instances where Senator McCarthy received some consideration from persons or agencies that he was in a position to assist or hurt in his official position as a United States Senator?

How can Senator McCarthy justify acceptance of a $10,000 fee from Lustron, which, in effect, was a fee being paid out of public funds, at a time when Lustron's continued operations and financing depended entirely upon the RFC, and which agency, in turn, was dependent upon the Congress and, more particularly, the Banking and Currency Committee, of which he was a member, for its continued authority and operation?

Did Senator McCarthy take advantage of Lustron's sensitive position and its need for continued government financing to induce its president, Carl Strandlund, to pay a fee, set by him at $10,000, for a manuscript which was neither finished nor in publishable form?

Was there any connection between Senator McCarthy's recommendations for government aid to pre-fab manufacturers and his subsequent contacts with Lustron, which culminated in his receiving $10,000 for the sale of his manuscript?

Was there any relationship between Senator McCarthy's position as a member of the Senate Banking and Currency Committee and his receipt of confidential information relating to the stock of the Seaboard Airlines Railroad, which was indebted to the RFC for sums in excess of $15 million?

Does Senator McCarthy consider that his requests for the active assistance of the HHFA in the preparation of a housing manuscript, which he intended to sell, after he had recommended legislation to increase the salary of its administrator, to be ethical?

Whether Funds Supplied to Senator McCarthy To Fight Communism or for Other Specific Purposes Were Diverted to His Own Use

Sen. Joseph R. McCarthy, according to his own statement, as set forth in his publication entitled, *McCarthyism—The Fight for America,* published in 1952, "launched the public phase" of his fight "to expose Communists and Communist treason in government," on February 9, 1950, at Wheeling, W. Va.

Subsequent to this, there was widespread publicity concerning Senator McCarthy's activities and reportedly some news commentators suggested that their listeners send contributions to assist the Senator.

The Subcommittee received unconfirmed reports that Senator McCarthy's office received a substantial number of contributions, some of which at least he was using for his own benefit and unrelated activities.

It was for this reason, therefore, that the Senator was asked . . . whether any funds collected or received to conduct activities, including those related to "Communism," were ever diverted and used for other purposes inuring to his personal advantage. His answer to this query as contained in his letter of December 1, 1952, was "No. . . ."

The Bentley-Van Straten Transaction

On May 5, 1950, Senator McCarthy opened a special checking account at the Riggs National Bank, Pennsylvania Avenue at 15th Street N.W., Washington, D. C. The Subcommittee has reason to believe that the special account was opened and used by Senator McCarthy as a depository of funds received for anti-Communist activities.

However, on September 7, 1950, Senator McCarthy opened savings account No. 62950 with the National Savings and Trust Company, Washington, D. C., by depositing $10,500. This deposit, represented by a deposit ticket dated September 7, 1950, consisted of $500 in currency, a $7,000 check drawn on a District of Columbia bank, and a check for $3,000 drawn on a Michigan bank. Investigation developed that the $3,000 item was a check drawn by Alvin M. Bentley on the Manufacturers National Bank of Detroit dated September 5, 1950. The $7,000 check was traced to the Riggs National Bank, Dupont Branch, account of Mrs. Arvilla Bentley.

When interviewed in Owosso, Mich., on October 29, 1952, by an investigator for the Subcommittee, Mr. Alvin M. Bentley declared that he issued his check to Senator McCarthy to assist him in his fight against Communism in government, but declared that at Senator McCarthy's suggestion, the amount was considered a loan rather than a gift and that he took Senator McCarthy's five-year note as evidence of the indebtedness. He advised he believed the note was non-interest bearing. Mr. Bentley declared that there was no agreement as to the manner in which the funds were to be disbursed; that Senator McCarthy would not have accepted the money if there had been any conditions attached; and that he (Bentley) did not care how the money was expended so long as it was expended in

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furtherance of the anti-Communistic fight. Mr. Bentley volunteered further that he would be disappointed if he later learned that Senator McCarthy "had used the money for gambling or to advance his personal financial condition."

On Wednesday, November 26, 1952, investigators of the Subcommittee attempted to interview Mrs. Arvilla P. Bentley at her home in Washington, D. C., by telephone, but she declared that she was confined to her home by illness and her physician had ordered her not to see anyone. When asked if she had ever given any money to Senator McCarthy, she replied that she had never given Senator McCarthy any money for political purposes. When she was asked if she had ever loaned money to Senator McCarthy, she stated that she would decline to answer that question until she had an opportunity to consult her attorney. Her attorney was subsequently interviewed and he advised that he would attempt to arrange for investigators to interrogate Mrs. Bentley on Monday, December 1, 1952. When Mrs. Bentley's attorney was interviewed by telephone on that date, he advised that he had been informed that Mrs. Bentley had gone to Florida on Friday, November 28, 1952, on orders of her physician, and that her whereabouts were unknown. . . .

With respect to the disposition of the funds obtained from the Bentleys and placed in this savings account, investigation revealed the following: On September 29, 1950, approximately three weeks after the savings account was opened, Senator McCarthy, by letter to the National Savings and Trust Company, authorized Miss Jean F. Kerr, his secretary, to withdraw $10,000 from the account.

The funds withdrawn were used to purchase a draft at the same bank, drawn on the Continental Illinois National Bank and Trust Company of Chicago and payable to Henry J. Van Straten . . . a long-time friend of Senator McCarthy. The draft was endorsed by Van Straten and forwarded to Wayne Hummer and Company, and on October 3, 1950, the $10,000 was credited to Van Straten.

Upon deposit of the $10,000 with Wayne Hummer

McCARTHY HITS BACK

Senator Guy Gillette,
Chairman, Elections Subcommittee,
United States Senate, Washington, D. C.

Dear Mr. Chairman:

. . . As Chairman of the committee investigating Benton's charges, I am sure you are aware that Political Affairs, the official Communist Party publication which sets forth the current tasks and problems of the Party, has ordered Communist Party members to "support the Benton Resolution to oust McCarthy from the Senate." (Political Affairs, October, 1951, page 29.) This publication has been labelled by the House Committee on Un-American Activities as the theoretical organ of the Communist Party.

Shortly before Benton appointed himself to lead the fight to smear and discredit McCarthy, the Communist Party through its then secretary, Gus Hall, (who has since been jailed) officially proclaimed that all Communist Party members must "yield second place to none in the fight to rid our country of the fascist poison of McCarthyism." (Daily Worker, May 4, 1950.)

The Communist Party has officially proclaimed and published in the Daily Worker that one of its major tasks is to discredit and smear McCarthy out of public office.

The Communist Party of Washington and Maryland put out a directive to all members of the Communist Party under the heading, "Unity Can Defeat McCarthyism." This directive was signed by Philip Frankfeld (who has since been jailed). It contains the following order to Communist Party members: "Remember the fact that the main enemy is McCarthyism and all of its workings and direct your main fight against it."

All of the above objectives of the Communist Party have been adopted by William Benton as his objectives also. You must agree that the aims and objectives of both the Communist Party and Benton are identical insofar as McCarthy is concerned. The only question is whether it is knowingly or through stupidity that Benton is trying to perform what the Communist Party has officially and repeatedly proclaimed its No. 1 task.

Lenin once said, "We can and must write in a language which sows among the masses hate, revulsion, scorn, and the like toward those who disagree with us."

I am sure that you would never knowingly allow your committee to serve the Communist cause. However, the damage done is the same regardless of whether it is knowingly and deliberately done. There can be no question in your mind or in anyone's mind that this year-long investigation by your Subcommittee would never have been commenced if I had not been exposing Communists in government. Already 10 of those whom I have exposed have either been convicted or removed under the Loyalty Program. This is only a small indication of how badly the Communist Party is being hurt. The Communists will have scored a great victory if they can convince every other Senator or Congressman that if he attempts to expose under-cover Communists, he will be subjected to the same type of intense smear, even to the extent of using a Senate Committee for the purpose. They will have frightened away from this fight a vast number of legislators who fear the political effect of being inundated by the Communist Party line sewage.

If you have evidence of wrong doing on McCarthy's part, which would justify removal from the Senate, or a vote of censure by the Senate, certainly you have the obligation to produce it. However, as you well know, every member of your committee and staff privately admits that no such evidence is in existence. It is an evil and dishonest thing for the Subcommittee to allow itself to be used for an evil purpose. Certainly the fact that the Democrat Party may temporarily benefit thereby is insufficient justification. Remember the Communist Party will benefit infinitely more.

Sincerely yours,
Joe McCarthy.

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and Company, Straten purchased on margin the following:

Purchase 10/ 2/50....15,000 bu. January Soy Beans @ $2.37¼
Purchase 10/10/50.... 5,000 bu. January Soy Beans @ $2.39½
Purchase 10/19/50.... 5,000 bu. January Soy Beans @ $2.44
Purchase 10/27/50.... 5,000 bu. January Soy Beans @ $2.57½

As of November 27, 1950, unrealized profit in respect to the 30,000 bushels of January soy beans was approximately $17,500, and sufficient to margin the account. On that date, Wayne Hummer and Company issued its check #10 to Henry J. Van Straten drawn on the First National Bank, Appleton, Wisconsin, for $10,000. The check was endorsed to Joe McCarthy and deposited by Senator McCarthy in his general account at the Riggs National Bank on December 4, 1950. . . .

. . . When Van Straten was interrogated by a Subcommittee investigator in regard to the $10,000 market operation, he declared that the money used was his own and that the trading decisions were the result of his own interpretation of market conditions. When informed that information indicated that the $10,000 used to open the commodity account on October 3, 1950, was not his, Van Straten stated that he considered borrowed money his personally owned funds, but declined to give further information.

The result of speculative operations of Van Straten which were financed by himself, as contrasted with the result of the transaction financed by Senator McCarthy, should be noted. . . . In contrast to [his] losses totaling $7,043.27, a profit of $17,354.50 was made between October 3, 1950, and January 2, 1951, on the transactions financed by Senator McCarthy with money obtained from the Bentleys.

In view of the above facts the following questions remain unanswered:

Why would Senator McCarthy borrow money for his fight against Communism, as indicated by Mr. Alvin Bentley, the source of $3,000 of the $10,000 involved, for the purpose of depositing it in a savings account?

Was the $7,000 obtained from Mrs. Bentley on the same date also to aid Senator McCarthy in his alleged anti-Communistic fight?

Was the $3,657 obtained from Mrs. Bentley in March, 1951, and deposited by Senator McCarthy in his general account on March 28, 1951, for the same purpose and, if so, why was it deposited in his general account?

Did Senator McCarthy give Mrs. Bentley notes for the monies obtained?

Why did Senator McCarthy give Mr. Alvin Bentley a five-year non-interest-bearing note for $3,000, when Mr. Bentley was willing to donate that amount and did it have any bearing with respect to the payment of future income taxes?

If Senator McCarthy obtained at least $3,000 of the $10,000 involved, as reported by Mr. Bentley, for his anti-Communistic fight, was not this money, in a sense, a trust fund?

Was the $10,000 Van Straten commodity speculation actually for the benefit of Senator McCarthy, or a partnership account?

Why would Senator McCarthy speculate with funds advanced to him for his anti-Communistic drive, or loan such funds to a friend for speculative purposes, particularly when the friend's only experience in the commodity market was limited and unsuccessful?

Did Senator McCarthy have confidential information with respect to the trend of the soybean future market? (Just prior to the transaction in question, the Commodity Exchange Authority of the Department of Agriculture conducted an investigation of alleged soybean market manipulation involving, among others, a number of Chinese traders.)

Was the $10,000 Wayne Hummer and Company check, dated November 27, 1950, which Van Straten endorsed over to Senator McCarthy a return of the original investment and, if so, why was it deposited in Senator McCarthy's general account?

Senator McCarthy's Special Account

As previously stated, Senator McCarthy, on May 5, 1950, opened a special checking account at the Riggs National Bank. The opening deposit in this special account was in the total amount of $1,292. . . .

Since the inception of this Special Account the following total deposits were made therein:

1950	$15,428.52
1951	2,591.75
1952 (up to 11/4/52)	2,712.70
Total	$20,732.97

Considering the proximity of the date on which this special account was opened, May 5, 1950, to that of February 9, 1950, when Senator McCarthy began the so-called "public phase" of his fight against Communism, and considering the types of deposits made therein, it is believed logical to assume that the account was opened and used as a depository for funds received by Senator McCarthy to finance anti-Communist activities.

The deposit of May 11, 1950, included a check dated May 8, 1950, in the amount of $1,000 drawn on the

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Lee County Savings Bank, Fort Madison, Iowa, and signed "C. R. Sheaffer, by L. J. Frantz." . . . Mr. Frantz identified himself as secretary of the W. A. Sheaffer Pen Company, Fort Madison, Iowa, and also identified C. R. Sheaffer as Craig R. Sheaffer, president of the same company. He stated that Mr. Sheaffer had read newspaper accounts of "McCarthy's attack on Communists in government," and had written the Senator on May 1, 1950, commending the latter's efforts. Frantz also said that Mr. Sheaffer had offered, in his letter of May 1, to send Senator McCarthy $1,000, if he needed it and providing that it would not be embarrassing for him, McCarthy, to accept it. Senator McCarthy, Frantz said, answered Mr. Sheaffer's communication by letter dated May 4, 1950. In this reply, McCarthy informed Sheaffer that he did have a lot of expenses in connection with his anti-Communistic fight and would appreciate financial assistance. Thereafter, Frantz, on the instructions of Mr. Sheaffer, issued and sent to Senator McCarthy, Mr. Sheaffer's personal check for $1,000. . . .

The deposit of June 23, 1950, included a check for $500 drawn by "B. Peyton" on the Guaranty Trust Company, Fifth Avenue Office, New York, N. Y. "B. Peyton" was subsequently identified as Bernard Peyton, President, New York Air Brake Company, 420 Lexington Avenue, New York, N. Y. When interviewed, Mr. Peyton advised to the following effect:

He first met Senator McCarthy at a "businessmen's association" meeting, and was very much impressed with the Senator as a speaker. Following the Senator's speech, he asked Senator McCarthy how he could help, and the Senator replied that he could use contributions to run down the "rascals and Communists in government." A day or so later, on June 21, 1950, Peyton mailed Senator McCarthy a check, drawn on the Guaranty Trust Company of New York City, in the amount of $500. . . .

There were a total of approximately 180 items charged against this special account, but only 78 of these items could be identified. The greater part of the items either were not available or were illegible.

Even though Senator McCarthy has refused to cooperate with the Subcommittee, the list of the payees of these checks is not being included in this report—lest it be said that an attempt was being made to expose Senator McCarthy's method of operations and his informants. However, at least without explanation, no connection could be established between many of the disbursements from this account and any possible anti-Communist campaign, including, for example, a check to the Collector of Internal Revenue for $73.80 on October 2, 1950, at a time when Senator McCarthy's Riggs general account appears to have been overdrawn; a check to his Administrative Assistant, Ray Kiermas, for $1,300 on September 29, 1950, at a time when his general account reflected a balance of $495.76; a "Cash" check of $200 on October 20, 1950, when it appears his general account was overdrawn; and, as indicated previously in this report, a check for $500 to "Cash," charged to the special account on September 5, 1950, which cash apparently was deposited in his savings acccount at the National Savings and Trust Company.

It is of possible significance that the deposits to Senator McCarthy's general account at the Riggs National Bank and the deposits to the account of his Administrative Assistant, Ray Kiermas, at the same bank, increased contemporaneously with the advent of the "public phase" of Senator McCarthy's "fight" to expose Communists and Communist treason in government.

	McCarthy		
	Regular	*Special*	*Kiermas*
1949	$31,260.06	.....	$11,194.70
1950	34,171.32	$15,428.52	26,526.90
1951	34,897.10	2,591.75	27,587.63
1952	27,851.68	2,712.70	19,000.00

. . . In view of the known disposition of certain funds, received to fight Communism, for other purposes the question naturally arose as to whether there were other payments made to Senator McCarthy for special purposes which were used by him in some other manner. . . .

Whether Senator McCarthy Used Close Associates and Members of His Family to Secrete Receipts, Income, Commodity and Stock Speculation and Other Financial Transactions for Ulterior Motives

Senator McCarthy's 1944 Primary Campaign for the Senate

In 1942, Senator McCarthy ventured into the security market with a modest investment of approximately $2,200. Through the medium of a 40-percent margin account with Wayne Hummer and Company, Chicago, Ill., supported by sensational advances in security prices, he was enabled to build up his initial investment into such substantial proportions that in 1943 he realized a net profit of $40,561.67. This profit was not withdrawn by him from his trading account until 1944.

Senator McCarthy was a candidate for the Republican nomination for United States Senator in the primary election held in Wisconsin on August 15, 1944. He was defeated by Sen. Alexander Wiley. "The Committee to Elect Joseph R. McCarthy to the US Senate," by Margaret F. Hagene, its secretary, filed affidavits with

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the Secretary of State of Wisconsin on August 5, 1944, and August 18, 1944, reflecting receipts from the following:

May 12, 1944—Howard McCarthy (brother)	$1,100.00
May 12, 1944—Tim McCarthy (father)	4,000.00
June 14, 1944—Roman Kornely (brother-in-law)	3,000.00
June 14, 1944—Howard McCarthy	3,100.00
August 2, 1944—Howard McCarthy	1,400.00
August 4, 1944—Howard McCarthy	5,000.00
	$17,600.00
Others	2,208.95
	$19,808.95

In that these relatives of Senator McCarthy do not appear to be people of substantial means and for the further reason that Senator McCarthy made a profit on securities transactions in excess of $40,000 in 1943 and withdrew most of these profits in 1944 prior to the August 14 primary election, it might appear possible that the $17,600 allegedly contributed by Senator McCarthy's relatives, were, in fact, personal expenditures of Senator McCarthy. . . .

In 1944, Senator McCarthy received $11,100 in government bonds and, during that year, he deposited $11,250 with Dean Witter and Company, Los Angeles. These two items, together with the $17,600 allegedly contributed by his relatives to his 1944 primary campaign approximate the total withdrawals from Wayne Hummer and Company in 1944, which have not been traced. . . .

Although it would not appear that Senator McCarthy would have permitted Margaret F. Hagene to file an affidavit containing information which Senator McCarthy knew to be false, it is significant to note that the "Committee to Elect Joseph R. McCarthy to the US Senate" reported that it received $5,100 from Howard and Tim McCarthy on May 12, 1944, and the records of Wayne Hummer and Company reflect that Senator McCarthy withdrew stock-market profits totaling $17,925.55 between March 1, 1944, and May 12, 1944, which are not otherwise accounted for. . . .

The Committee reportedly received $6,100 from Roman Kornely and Howard McCarthy on June 14, 1944, and the Wayne Hummer and Company records reveal that Senator McCarthy withdrew stock transaction profits of $7,000 between May 24, 1944, and June 7, 1944. The Committee reportedly received $6,400 from Howard McCarthy on August 2 and 4, 1944, and the records of the broker disclose that between June 28, 1944, and July 14, 1944, Senator McCarthy withdrew $13,800 in profits. Although the figures cited are not conclusive, it is singular that on or about the dates that the Committee received amounts from relatives of Senator McCarthy that Senator McCarthy withdrew stock-market profits somewhat in excess of the amounts reported by the Committee. It might be of further significance that the only amounts reported as being received from relatives of Senator McCarthy in his 1946 campaign for the primary and general elections are:

Roman Kornely (brother-in-law)	$ 50.00
Howard McCarthy (brother)	49.50
Olive Kornely (sister)	49.50
Tim McCarthy (father)	554.74

William P. McCarthy Transactions

William P. McCarthy, a brother of Senator McCarthy, is employed in Chicago, Ill., as a truck driver. He resides in a modest home at 1938 Wolfram Street, Chicago, and appears to be a man of only moderate means. There is no evidence that William P. McCarthy had any experience in the commodity market prior to August 27, 1948.

On or about August 27, 1948, William P. McCarthy opened an account with Daniel F. Rice and Company by depositing $10,000. When interviewed on June 19, 1952, by a Subcommittee investigator, William P. McCarthy declared that the $10,000 was received by him from Senator McCarthy, and represented the repayment of previous loans totaling $7,000 which he had made to Senator McCarthy since 1927, and $3,000 representing a loan by the Senator to him.

Investigation revealed that the $10,000 deposited with Daniel F. Rice and Company was comprised of three items: (1) a bank draft drawn on Drovers National Bank by the Appleton State Bank on August 25, 1948, in favor of Ray Kiermas (Senator McCarthy's Administrative Assistant) for $5,000; (2) check for $1,223.72 on the account of Ray Kiermas at Riggs National Bank, dated August 30, 1948; and (3) an item for $3,776.28, drawn on the Appleton State Bank, which that Bank has been unable to identify.

William P. McCarthy began his market operations on September 23, 1948. . . .

On March 19, 1951, an account was opened with Daniel F. Rice and Company in the name of Julia Connolly, which is the maiden name of Mrs. William P. McCarthy. The account was opened with a cash deposit of $7,000. . . . When interviewed on June 19, 1952, William McCarthy stated that the account was opened in the name of Julia Connolly with the idea of concealing the account in the event of an investigation of Senator McCarthy's affairs.

The over-all trading picture for both accounts shows that during the period of trading operations, Septem-

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ber 23, 1948, to September 4, 1952, a total of 905,000 bushels of commodities were traded in for a net profit of $5,546.91. Of the total bushels traded, 215,000 bushels represented short trades resulting in a net profit of $3,668.00, and 690,000 bushels represented long trades resulting in a net profit of $1,878.91. Commodities traded in were rye, corn, wheat, barley, and beans.

To be noted are the short operations. Short selling involves much greater risk than long, and short sales of commodities is a most dangerous form of speculation, in general indulged in only by the most astute and experienced operators. The first two operations in the William P. McCarthy account involved a short sale of 10,000 bushels of July wheat on September 23, 1948, and 5,000 bushels of December beans on the same day. Apparently, he had no previous experience in either security speculation or commodity speculation and questions arise as to who or what influenced these trading operations. . . .

According to the Wisconsin State Income Tax Returns, Senator McCarthy paid William P. McCarthy interest of $2,258 in 1949. No portion of this was deposited by William P. McCarthy in the savings account with the First National Bank of Chicago and it was not reported as 1949 income by William P. McCarthy, although he did report this as 1950 income. None of the $2,025 paid to William P. McCarthy in 1950 by Senator McCarthy is shown by the Senator as interest expense in his 1950 State Income Tax Returns. There is no indication that William P. McCarthy has ever had the financial capacity to loan anyone an amount that would earn interest of $2,258 in one year, or even that much interest in several years. . . .

In view of the above facts the following questions remain unanswered.

Was the $10,000 deposited by William P. McCarthy with Daniel F. Rice and Company on August 27, 1948, received directly or indirectly from Senator McCarthy? If the $10,000 or any portion of it was advanced by Ray Kiermas, why was the eventual return of this amount paid to the Appleton State Bank for the benefit of Senator McCarthy?

Why did Senator McCarthy advance money to William P. McCarthy to speculate in the commodity market at a time when he was heavily indebted to the Appleton State Bank and the Bank was constantly calling on him for a reduction in the loan or an increase in the collateral?

McCARTHY HITS BACK

May 11, 1952

Senator Guy Gillette
Senator A. S. Monroney
Senator Thomas Hennings

Gentlemen:

I have learned with regret that your public hearings are to open tomorrow without the presence of your star witness. You have my deepest sympathy.

Some Doubting Thomases might question the importance of this witness, except that after nearly a year of investigating, you and your staff decided that the public hearings must open with his intelligently presented, clear-cut expose of the dangers of McCarthyism. The Nation owes you a debt of gratitude for so carefully and honestly developing this witness who could have advised the Senate and the voters of Wisconsin to get rid of McCarthy. If only you had set the hearings 10 days earlier before the judge committed your star witness to an institution for the criminally insane, you would not have been deprived of this important link in the chain of evidence against McCarthy.

Some shallow thinkers may say that you gentlemen are dishonest to have planned to use your committee as a sounding board to headline the statements of a witness after your staff had reported he was mentally unbalanced. I beg you not to let this distract you from the honest, gentlemanly job you are doing Those critics fail to realize that everything is ethical and honest if it is done to expose the awfulness of McCarthyism. After all, had not your staff reported that while this witness was mentally deranged, his mental condition would help to make him an excellent witness for you?

Certainly, you cannot be blamed for not knowing that some unthinking judge would do the country the great disservice of committing him to a home for the insane before the committee had a chance to publicize and place its stamp of approval on his statements about McCarthy. Certainly, you cannot be blamed for being unable to distinguish between his testimony and the testimony of the other witness, Benton, who asked for and was given the right to appear before your committee and publicly "expose" McCarthy.

The Communist Party, which is also doing an excellent job of exposing the evils of McCarthyism, has repeatedly proclaimed that no stone be left unturned in the effort to remove McCarthy from public life. As Lenin said, "resort to lies, trickery, deceit, and dishonesty of any type necessary," in order to destroy those who stand in the way of the Communist movement.

I ask you gentlemen not to be disturbed by those who point out that your committee is trying to do what the Communist Party has officially proclaimed as its No. 1 task. You just keep right on in the same honest, painstaking way of developing the truth. The thinking people of this nation will not be deceived by those who claim that what you are doing is dishonest. After all, you must serve the interests of the Democrat Party—there is always the chance that the country may be able to survive. What better way could you find to spend the taxpayers money? After all, isn't McCarthy doing the terribly unpatriotic and unethical thing of proving the extent to which the Democrat Administration is Communist ridden? Unless he can be discredited, the Democrat Party may be removed from power.

Again may I offer my condolences upon your failure to have your star witness present as planned to open the testimony. Do you not think the judge who committed him should be investigated?

Sincerely yours,
Joe McCarthy

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Did Senator McCarthy speculate in the commodity market in the name of his brother, William P. McCarthy, or was the account with Daniel F. Rice and Company a partnership account?

Were the payments totaling $2,025 by Senator McCarthy to William P. McCarthy in 1950 made for the purpose of bolstering the Daniel F. Rice and Company account, and, if so, why were they not paid directly to the broker? . . .

The Appleton State Bank Transactions

On February 13, 1945, the Appleton State Bank, Appleton, Wis., loaned Senator McCarthy $1,800 which was used to open a checking account with that bank. In July, 1945, the bank loaned Senator McCarthy $73,000 which was used by the Appleton State Bank to purchase, through its omnibus trading account with Wayne Hummer and Company, 1,000 shares of Allegheny Corporation Preferred Stock and $81,000 Central of Georgia Railway Company five percent Series C Bonds due April 1, 1959. These securities were used to collateralize the loan. Additional Central of Georgia Railway five percent 1959 bonds purchased through his Wayne Hummer and Company trading account were pledged by Senator McCarthy to the bank. Senator McCarthy also received $15,960.98 from Wayne Hummer and Company on July 11, 1945, which was used to purchase $69,000 Central of Georgia Railway Company five percent Series C bonds due April 1, 1959, as additional collateral against his Appleton State Bank indebtedness of $75,000. . . .

Up to and including December 21, 1945, Senator McCarthy's indebtedness to the Appleton State Bank had been reduced to $20,364.64, largely from the proceeds of the sale of collateral, but including $9,959.23 from an undetermined source. On that date, Senator McCarthy received a loan of $149,176.06 from the Appleton State Bank. These funds were used to purchase, through the omnibus account of the bank with Wayne Hummer and Company, 5,000 shares of Chicago, Milwaukee, St. Paul and Pacific Railroad Company common stock, which stock was pledged against the indebtedness. This loan increased Senator McCarthy's indebtedness to $169,540.70, which was $69,540.70 in excess of the bank's statutory loan limitation. The appearance of compliance with statutory requirements was created by transferring, on December 26, 1945, $69,540 to a loan ledger sheet in the name of H. F. McCarthy, a brother of Joseph R. McCarthy. Securities to collateralize the transferred balance of $69,540 owned by Senator McCarthy were transferred. In April and May, 1946, proceeds from the sale of 2,400 shares of this stock sold through the omnibus account of the Appleton State Bank, plus $5,562.54 from an undetermined source, liquidated this fictitious H. F. McCarthy loan. . . .

The over-all picture of Senator McCarthy's loan at the Appleton State Bank shows he was loaned a total of approximately $248,000 during the period February 13, 1945, to September 14, 1951. The major part of this $248,000, a sum aggregating $226,000, was loaned in 1945. The largest outstanding balance at any time was $170,000. The borrowed funds were used for speculation in securities and the collateral, for the greater part, consisted of securities purchased with the borrowed funds. The loans were liquidated as follows:

Proceeds of collateral sold and income from dividends	$190.116.96
Funds from Timothy McCarthy	2,000.00
Funds from F. J. Sensenbrenner	14,644.66
Untraced funds	39,900.89
Checks from Senator McCarthy	1,242.43
	$247,904.94

Untraced funds totaling $39,900.89 could not be traced to proceeds of securities sold, dividends or bank accounts of Senator McCarthy. Of this untraced total, $28,401.06 was credited to Senator McCarthy's indebtedness in 1946, a year during which his security speculations resulted in a net realized loss of in excess of $10,000, and a year in which he won the Republican nomination for United States Senator. This $39,900 included round amount credits of $5,000, $9,000, $1,000, $2,500, $1,500 and $3,500.

With reference to the loan of $20,000 by the Appleton State Bank to Senator McCarthy early in January, 1948, it should be noted that the loan was made against a $20,000 note of Senator McCarthy endorsed by Russell M. Arundel, a Washington representative of the Pepsi-Cola Corporation.

In the latter part of 1947, Matt Schuh, the President of the Appleton State Bank and apparently a close friend of Senator McCarthy, prodded by his Board of Directors and probably by the State Banking Department, urged upon Senator McCarthy the immediate necessity of reducing his indebtedness to the bank by $15,000 or $20,000. After several communications back and forth between Mr. Schuh and Senator McCarthy, the bank loaned the Senator $20,000 on January 3, 1948. The borrowed funds were used to purchase 600 shares of Chicago, Milwaukee, St. Paul and Pacific Railroad preferred stock. This increase in an already hazardous loan was directly contrary to the

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expressed wishes of the Board of Directors of the bank whose position was probably influenced by Examiners of the State Banking Department and possibly the FDIC. . . . At no time was any attempt made to collect on this note from the endorser, Russell M. Arundel. . . .

Of particular interest indicating further the lengths to which Mr. Schuh, President of the Appleton State Bank, went in respect to Senator McCarthy's loan, is an arrangement made in April, 1947, regarding interest payments on Senator McCarthy's note. This operation permitted Senator McCarthy to pay the interest due in cash, but to have the cash applied to the loan principal and set up interest notes in the amount of the interest paid.

As of early November, 1948, the indebtedness of Senator McCarthy to the Appleton State Bank was $72,000. He had sustained net realized loss in the stock market of $28,000 in 1947 and $35,000 in 1948. As of November 22, 23, 24, 25 and 26, 1948, his checking account at the Riggs National Bank, Washington, D. C., was overdrawn. The Appleton State Bank was demanding that he do something about the Arundel note and suggested that they use the $10,000 savings account of Ray Kiermas, an employee in Senator McCarthy's office, to reduce the overdue $20,000 Arundel note. This savings account of Ray Kiermas was at this time standby collateral for Senator McCarthy's loan. This figure of $10,000 is to be noted as on November 12, 1948, Senator McCarthy received the $10,000 fee from Lustron Corporation which was used, not to reduce his Appleton State Bank indebtedness, but to purchase 450 shares of Seaboard Airlines Railroad common stock, which was delivered to the Appleton State Bank as much needed collateral for the loan.

That this $10,000 Lustron fee was a very limited, temporary solution of the loan collateral situation is indicated by early 1949 letters between the Appleton State Bank and Senator McCarthy. In response to urgent requests for more collateral $10,000 was transferred from a commodity trading account at Daniel F. Rice and Company, Chicago, Ill., in the name of William P. McCarthy. . . .

This $10,000 from Daniel F. Rice and Company provided no solution to the margin situation as evidenced by letters between the Appleton State Bank and Senator McCarthy from June 2, 1949, to May 2, 1950. After May, 1950, the pressure in respect to sufficient collateral for the loan appears to have lessened due to appreciation in pledged Seaboard Airlines Railroad stock and substantial collateralization of the loan by assets of Ray Kiermas. . . .

Appleton State Bank Interest Manipulation

Under date of April 15, 1947, Senator McCarthy first broached the plan to pay the interest due on his notes but apply the payments to the principal and set up interest notes for the interest paid. Subsequently, when most advantageous to Senator McCarthy, and at his discretion, the interest note was to be paid and the payment taken as a tax deduction against income. Senator McCarthy's letter dated July 12, 1947, to Matt Schuh, President of the Appleton State Bank, again stresses the income-tax feature. . . . In 1949, Senator McCarthy elected to use interest paid in this manner totaling $6,810.28 as a deduction against income on his State and Federal Income-Tax Returns. In 1946, 1947 and 1948, deductions of this $6,810.28 were not needed to establish a loss in respect to his Wisconsin income-tax returns, as filed, because losses on security transactions operated to eliminate taxable income. In connection with Senator McCarthy's 1949 Wisconsin State Income-Tax Return, as filed, he listed loss on security transactions of only $2,290 against gross income of $17,120. An interest deduction of $15,172.54, of which this $6,810.28 was a material part, operated to eliminate taxable income for that year.

On Senator McCarthy's 1949 Federal Income-Tax Return, this $6,810.28 deduction furnished a substantial offset to the $10,000 Lustron fee, which was received in 1948 but reported as income on his 1949 federal return. It might be observed that Senator McCarthy reported this $10,000 as 1948 income on his Wisconsin tax return for that year upon instructions from J. L. Tibbetts, Assessor of Incomes, in answer to an inquiry from Senator McCarthy.

The Wisconsin Department of Taxation, after investigation, disallowed this 1949 deduction of $6,810.28 on the basis that "this interest was actually paid in cash in the years 1946 and 1947. . . ."

Senator McCarthy's and Ray Kiermas' Bank Accounts

From January 1, 1948, to November 12, 1952, Senator McCarthy deposited a total of $172,623.18 in his account at the Riggs National Bank, Washington, D. C., and during the same period, Ray Kiermas deposited a total of $96,921.26. . . .

It is to be noted that of the $172,623.18 deposited by Senator McCarthy a total of $59,592.52 has not been identified as to source, including approximately $19,000 in currency deposited. In respect to the $96,921.26 deposited by Ray Kiermas, a total of $44,908.43 has not been traced to its source.

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. . . Of the $96,921.26 deposited by Ray Kiermas from 1948 through 1952, a total of $29,230 (30 percent of the total deposited) represented currency deposits, and of this $29,230, approximately $21,000 represented individual deposits in excess of $300 each, and 12 individual deposits ranging in amounts from $700 to $2,405 accounted for $14,000 of this $21,000.

Substantial funds were passed to and from Senator McCarthy and Ray Kiermas. From March, 1947, to May, 1952, $16,386.22 passed from Ray Kiermas to Senator McCarthy, and $13,647.92 from Senator McCarthy to Ray Kiermas.

Illustrative of their circuitous financial transactions is a December, 1951, transaction. On December 5, 1951, Senator McCarthy received a loan from the Riggs National Bank, Washington, D. C., of $6,000 against his demand note secured by 200 shares of Seaboard Airlines Railroad Company common stock. With this $6,000 he purchased two Cashier's Checks, one in the amount of $4,500 and one for $1,500. The $4,500 check he deposited in his regular checking account at the Riggs National Bank on December 21, 1951, together with a $2,000 check of Ray Kiermas for a total deposit of $6,500. The Cashier's Check in the amount of $1,500 was deposited in the Riggs National Bank account of Ray Kiermas on December 10, 1951. There may be a reasonable explanation for these transactions, but in the absence of such explanation, obvious questions arise.

Why the use of Cashier's Checks? Why was not the $6,000 loan credited directly to Senator McCarthy's account? Why the exchange of checks between Senator McCarthy and Ray Kiermas?

Whether Senator McCarthy's Activities on Behalf of Certain Special Interest Groups, Such as Housing, Sugar and China, Were Motivated by Self-Interest

Housing . . . The Subcommittee has little to add to what has already been stated previously under the heading of the Lustron fee payment wherein the receipt of money from the Robert Byers firm and other matters were also discussed. Other questions which naturally come to mind from these facts as previously set forth are: Was Senator McCarthy's appearance at Columbus, Ohio, in connection with the promotion of Byers' homes related to his position as Vice-Chairman of the Joint Housing Committee and membership on the Senate Banking and Currency Committee? . . .

Sugar . . . Senator McCarthy was a member of the Senate Banking and Currency Committee, and its Subcommittee on Sugar, since January 6, 1947. As sugar rationing and price controls were still in existence during 1947, the determination as to whether controls were to be continued in any form, or terminated, was the responsibility of the Congress, and particularly the Banking and Currency Committees. The Department of Agriculture advocated the continuation of sugar controls, whereas the Pepsi-Cola Company and its hundreds of bottlers throughout the country, among others, urged decontrol.

. . . Senator McCarthy was greatly over-extended in his loan position at the Appleton State Bank from the time of his election to the Senate in November, 1946, and throughout 1947. On or about December 5 or 6, 1947, Senator McCarthy hurriedly conferred with Russell M. Arundel to apprise him of his financial predicament and the pressing notes held by the Appleton State Bank, and Arundel endorsed a $20,000 six-months note for Senator McCarthy, on or about December 8, 1947, which was used as collateral for Senator McCarthy's Appleton Bank loans.

His acceptance of a $20,000 favor from the Washington representative of the Pepsi-Cola Company at the very time he was attacking the government for its manner of handling sugar control makes it difficult to determine whether Senator McCarthy was working for the best interests of the government, as he saw it, or for Pepsi-Cola.

In view of the fact that Senator McCarthy has failed to appear before this Subcommittee to offer his explanation of the aforementioned transactions the following questions remain unanswered:

Was it proper for Senator McCarthy, while serving on the Banking and Currency Committee and its Subcommittee on Sugar, to seek and accept the endorsement on his Bank Note for $20,000 by a person vitally interested in sugar legislation?

Was there any relationship between Arundel's endorsement of Senator McCarthy's $20,000 note on or about December 8, 1947, and Senator McCarthy's special appearance to interrogate the Army Secretary on December 9, 1947, before the Committee on Appropriations regarding the Army's purchase of Cuban sugar, which purchase had been previously criticized by Pepsi-Cola?

China: Unconfirmed reports were received by the Subcommittee to the effect that when Senator McCarthy began his "public phase" of his fight against Communism early in 1950, his activities in this direction were general but that subsequently he began to follow what was termed the line of the China Lobby.

As an example of this, it was pointed out that Gen. George C. Marshall has been one of the individuals attacked by the "China Lobby" and on June 14, 1952, Senator McCarthy delivered a 65,000-word speech in

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the Senate attacking General Marshall. It was also inferred that Senator McCarthy may have received financial assistance or other considerations from members of this group. . . .

In fairness to Senator McCarthy, it should be said that the Subcommittee has not received any evidence to date reflecting that he received money from members of the China Lobby.

It has been ascertained that Mr. Alfred Kohlberg, a New York City importer, frequently identified as connected with the China Lobby, sent Senator McCarthy a $500 check to assist him in his fight against Communism and that Senator McCarthy returned this by letter of April 11, 1950, on the grounds that, "it might be misconstrued by left-wing commentators." There was, however, information developed incident to the Subcommittee investigation that there was contact between Senator McCarthy's office in Washington and Alfred Kohlberg in New York City on at least nine separate occasions during the period from April to September, 1952.

Whether Loan or Other Transactions Senator McCarthy Had With Appleton State Bank or Others Involved Violations of the Tax and Banking Laws

. . . The Wisconsin Statutes published in 1939 provide in Section 221.29:

Limit of Loans. (1) The total liabilities of any person . . . to any bank, for money borrowed . . . shall at no time exceed 20 percent of the amount of capital stock and surplus of such bank or 15 percent of the amount of capital and surplus of such bank. . . .

Amendments to this section thereafter did not alter the foregoing limitation.

The Wisconsin Statutes published in 1949 provide in Section 221.29:

Limit of loans and investments. (1) (a) The total liabilities of any person . . . to any bank for money borrowed shall at no time exceed 20 percent of the capital stock and surplus or 15 percent of the capital and surplus of such bank. . . .

In 1945 and 1946, the Appleton State Bank had outstanding capital stock of $200,000 and a surplus of $300,000 with a loan limitation to one person of $100,000.

Section 7 (a) of the Securities and Exchange Act of 1934 provides:

For the purpose of preventing the excessive use of credit for the purchase or carrying of securities, the Board of Governors of the Federal Reserve System shall, prior to the effective date of this section and from time to time thereafter, prescribe rules and regulations with respect to the amount of credit that may be initially extended and subsequently maintained on any security (other than an exempted security) registered on a national securities exchange. . . .

Regulation "U" issued by the Board of Governors of the Federal Reserve System pursuant to the provisions of Section 7 of the Securities and Exchange Act of 1934, as amended to July 20, 1949, provides in part as follows:

On and after May 1, 1936, no bank shall make any loan secured directly or indirectly by any stock for the purpose of purchasing or carrying any stock registered on a national securities exchange in an amount exceeding the maximum loan value of the collateral, as prescribed from time to time for stocks in the supplement to this regulation and as determined by the bank in good faith for any collateral other than stocks. . . .

The margin requirements in effect between February 5, 1945, and July 4, 1945, was 50 percent and between July 5, 1945, and January 20, 1946, it was 75 percent. By the terms of Regulation "U," the bank between February 5, 1945, and July 5, 1945, was unable to legally loan money for carrying stock registered on a national securities exchange in excess of 50 percent of the value of the stock, and between July 5, 1945, and January 20, 1946, in excess of 25 percent of the value of the stock.

Between December 21, 1945, and May 23, 1946, the loan to Joseph R. McCarthy was in excess of $100,000, the loan limitation of the Appleton State Bank, and in violation of the Wisconsin bank statutes. For the purpose, ostensibly, of complying with the law, the Bank carried in a separate account that portion of the loan in excess of $100,000 in the name of Howard McCarthy, and transferred an equitable amount of the collateral to the Howard McCarthy account.

The loan to Senator McCarthy was constantly in excess of the collateral requirements of the Bank, as evidenced by the numerous letters from the Bank to Senator McCarthy. It was under collateralized by the terms of Federal Reserve Board Regulation "U," which provided a margin requirement of 50 percent or greater at all times between February 5, 1945, and the present time.

The most flagrant disregard for the state banking laws and the Federal Reserve Board regulation was the financing by the Appleton State Bank of the acquisition by Senator McCarthy of 5,000 shares of Chicago, Milwaukee, St. Paul and Pacific Railroad stock in December, 1945. On December 21, 1945, the loan account of Joseph R. McCarthy was increased by $149,176 raising

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the balance to $169,540.70, which was $69,540.70 in excess of the bank's legal loan limit.

Whether Senator McCarthy Violated Federal and State Corruption Practice Acts in Connection With His 1944-46 Senatorial Campaigns or in Connection With His Dealings With Ray Kiermas

THE 1944 CAMPAIGN

. . . In addition to the alleged contributions to "The Committee to Elect Joseph R. McCarthy to the US Senate" by the relatives of Senator McCarthy, Joseph R. McCarthy personally executed an affidavit on August 7, 1944, reporting expenditures of $2,741.33. If the alleged contributions by his relatives totaling $17,600, were, in fact, his personal campaign expenses, it would indicate a total of $20,341.33 expended by Senator McCarthy in the 1944 unsuccessful primary election. This, however, is not consistent with the affidavit executed by Senator McCarthy on September 20, 1944, which was filed with the United States Senate which states:

An independent Campaign Committee of which James J. Colby, 110 E. Wisconsin Ave., was Chairman received contributions and expended money in behalf of my candidacy but I have not information as to their account.

If Senator McCarthy actually expended $20,341.33 of his personal funds on the unsuccessful primary, it would appear that this was in excess of the $5,000 limitation provided by the laws of the state of Wisconsin.

The questions before the Subcommittee in this connection are:

What was the source of funds totaling $17,600 allegedly contributed by Senator McCarthy's relatives to his 1944 primary campaign?

What disposition was made by Senator McCarthy of stock-market profits in excess of $40,000 realized in 1943 and withdrawn from time to time in 1944?

Why did Senator McCarthy, who had $40,000 at his disposal in 1944 call upon his relatives for financial assistance in connection with the 1944 primary campaign?

THE 1946 SENATORIAL CAMPAIGN

Section 599 of Title 18, U.S.C., provides that a candidate who promises an appointment to a public or private position in exchange for political support shall be fined $1,000 or imprisoned for not more than one year, or both, and if the violation is willful, shall be fined $10,000 and imprisoned for not more than two years, or both.

Ray Kiermas, Administrative Assistant to Senator McCarthy, is reported as a contributor to McCarthy's campaign and since his employment by Senator McCarthy has had many financial transactions with Senator McCarthy. The "Appleton McCarthy for Senator Club" reported a contribution from Ray Kiermas on January 25, 1946, of $49.50. The "Milwaukee County McCarthy for Senator Club," by its secretary, Nathan W. Heller, reported a contribution from Ray Kiermas on March 28, 1946, of $50. The "McCarthy for Senator Club," by its secretary, Urban P. Van Susteren, reported contributions from Ray Kiermas on May 3, 1946, of $50, and on November 10, 1946, of $468.80. A loan to this club of $2,000 on October 18, 1946, was reported as repaid to Ray Kiermas on November 7, 1946.

On August 22, 1946, Senator McCarthy executed an affidavit which was filed with the United States Senate which stated in part as follows:

The Wisconsin State Republican organization and various McCarthy For Senator Committees did, I understand, spend money and perform acts for the promotion of my candidacy. As to the amount spent, contributions made, etc., I presently have no knowledge except from hearsay and rumor.

I exercised no supervision or control over the Republican State Voluntary Committee nor over the various McCarthy for Senator Clubs, etc.

Under the laws of Wisconsin each individual or committee that spent over $50 in the promotion of the candidacy of anyone must file a complete verified financial statement with the Secretary of State of Wisconsin. I don't believe that I am entitled to obtain a copy of such statements. I assume, however, that if your committee will write the Secretary of State he would be glad to send you a verified copy of statements filed by any committee or club which was working for my nomination.

Ray Kiermas sold his grocery on or about August 31, 1946, after the Wisconsin primary election in which Joseph R. McCarthy won the Republican nomination for US Senator. Kiermas opened an account with the Appleton State Bank on August 31, 1946, by depositing $9,000, the proceeds from the sale of the grocery. On September 6, 1946, Kiermas pledged $20,000 par value Central of Georgia Railway Company bonds with the Appleton State Bank as additional collateral for Senator McCarthy's loan with the Bank. On the same date, by another instrument, he pledged 100 shares of Burroughs Adding Machine Company no par value stock and 50 shares of Hecla Mining Company as security for the Senator's loan. On October 10, 1946, Ray

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Kiermas and Dolores Kiermas pledged a $5,000 real-estate mortgage with the Bank as additional security for the Senator McCarthy loan.

Upon taking the oath of office on January 3, 1947, Senator McCarthy appointed Kiermas to his staff and he is Senator McCarthy's Administrative Assistant at the present time. He has drawn a salary of in excess of $7,000 each year and Dolores Kiermas, his wife, has also been on Senator McCarthy's payroll since 1947 and has drawn a salary which at intervals has reached approximately $7,000 a year. Senator McCarthy has resided in Washington with Mr. and Mrs. Kiermas since January, 1947.

On May 14, 1947, Kiermas pledged $10,000 of his savings account with the Appleton State Bank as additional collateral for Senator McCarthy's loan, and on October 13, 1948, pledged 100 shares of Seaboard Air-line Railroad Company stock. On February 17, 1949, Kiermas pledged 100 shares of Potomac Electric Power Company $10 par value common stock as additional collateral for the Senator's loan.

Beginning early in 1947 and continuing to the present time, there have been numerous transactions and transfers of cash between Senator McCarthy and Kiermas, and it is impossible to determine if these involve transactions between the two.

Of course, there is no law against friendship and the Subcommittee feels sure that Mr. Kiermas' acts were inspired by friendship and loyalty. However, the facts as set forth provoke logical questions as to whether Senator McCarthy took advantage of Mr. Kiermas, whether Senator McCarthy promised Kiermas a position in exchange for political and financial support and whether Kiermas has been required to furnish Senator McCarthy financial assistance since his employment by the Senator. Only Senator McCarthy or Mr. Kiermas can supply the answers.

Conclusions and Recommendations

The Subcommittee itself is not making any recommendations in this matter. The record should speak for itself. The issue raised is one for the entire Senate.

This report and the Subcommittee files, of course, will be available to the Department of Justice and Bureau of Internal Revenue for any action deemed appropriate by such agencies.

This does not, however, resolve the issue presented by S. Res. 187, which is a matter that transcends partisan politics and goes to the very core of the Senate Body's authority, integrity and the respect in which it is held by the people of this country.

ANYTHING FOR A FRIEND

Mr. Matt Schuh, July 12, 1947
President, Appleton State Bank,
Appleton, Wisconsin
Dear Matt:

I have just received your notation to the effect that my two notes are due. I wonder if you would make out renewal notes for me to sign, as well as notes for the interest. I would very much prefer paying the interest by note if this isn't too objectionable to you. I have two reasons for wanting to pay by note instead of cash--one of which is that I don't want to use this interest as an income tax deduction this year, and if I pay by cash I can't hold it over until next year as a deduction.

I wonder if you might have any idea as to what the second and even more important reason is.

Sincerely yours,
JOE McCARTHY

McC:mh
P.S. Today's tip on the market--buy.
J. Mc.

Senator Joseph R. McCarthy June 2, 1949
Senate Office Building, Washington 25, D.C.
Dear Joe:

In checking your collateral this morning I find that the value totals $61,423.31 and the notes held by the bank total $59,304.57. From these figures you can figure out the margin, which is now at a point where unless something is done immediately we will have to offer the securities for sale.

Kindly let me hear from you at once.

Yours very truly
MAS:H President

Mr. Matt Schuh June 4, 1949
President, Appleton State Bank
Appleton, Wisconsin
Dear Matt:

I have just received your letter of June 2.

I note that the notes held by the bank are for a total of $59,000 and the collateral $61,-000. As you know, the $59,000 includes the note upon which I have been paying $200 per month. I shall be able to continue paying at least that much until this obligation is taken care of.

I wonder, Matt, if under the circumstances it would be possible to have this note, which I believe still totals around $6,000, transferred to one of the other banks without collateral in view of the payments being made thereon. This, of course, would still run us slightly short of the 20 percent on the balance, but I can make that up somehow.

I know it is asking a hell of a lot of you to try to arrange this matter, but you as you know it is of unlimited importance to me, and if you can possibly work this so as to remove the $6,000 note from the obligation, it would ease the situation tremendously. I could, of course, give whatever bank is holding the $6,000 note an insurance policy assigned to it as collateral in case I should get killed. In view of the fact that I have <u>at least</u> 3½ more years in the Senate, this obligation at $200 per month should be taken care of before the end of this term.

Now, damn it, Matt, don't just decide it is a lot easier to sell out my collateral and get rid of your ulcers, but extend yourself and see if you can't do something about this smaller note. I don't know how I shall be able to return the favor, except perhaps by waiting until you retire and then get a Republican President to appoint you a Special Advisor to the Senate--on financial matters.

I wonder if you would also have Larry send me a list of the collateral so I can see how he arrives at the figure of $61,000.

Sincerely (and hopefully)
McC:d JOE McCARTHY

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LITERATURE AND THE ARTS

HAVEN'T YOU READ THESE NOVELS?

by Malcolm Cowley

EVERY age has its stereotypes in fiction, its familiar stories that are endlessly repeated in novels by young authors, each of whom is convinced that his darling tale has never been told before. Publishers' readers are a more skeptical if always hopeful breed. After paging through hundreds of manuscripts they have learned to recognize the stereotypes of this postwar age, which differ in an interesting fashion from those of the preceding half-century.

In the early 1900s a favorite story was about the cultured young man, apparently a weakling, who nevertheless surmounted hardships and defeated savage enemies—in the jungle, at sea or in the frozen North—by reverting to the qualities of his Viking ancestors. It was the Darwinian or Jack Londonian novel, based on the notion that the wilderness is the test of manhood and that well born Nordics are fittest to survive. In the 1920s, that age of cynicism and moral rebellion, the Darwinian novel gave way to the story of the sensitive young man, the idealized Artist, oppressed and broken by the philistine World (like the hero of *Three Soldiers* and the heroine of *Main Street*)—or else it gave way to the story of the completely natural or Hemingway young man who suffered in monosyllables and preserved a drunken composure while women flung themselves at his neck and hell broke loose.

The social rebellion of the 1930's gave another stereotype, the strike novel, which was usually laid in a Southern cotton-spinning town. The strike was broken, its leader was killed by the bosses, but there was also a younger hero, a boy from the hills who was converted to the revolutionary faith. In the last chapter he began to organize the workers for new struggles, under a sky that was red with hope. Nobody has been writing strike novels since World War II. The other prewar stereotypes have also gone out of fashion, although the early-Hemingway hero sometimes saunters into a book about Greenwich Village and the Darwinian novel reappears from time to time as a serial in the *Saturday Evening Post* (a fairly recent example was *Campbell's Kingdom,* by an author whose name I forget). But these are living fossils, so to speak, and the new generation has adopted another set of stereotypes, which I now propose to catalogue.

Setting aside mystery stories, subject or problem novels and popular romances of every type, and considering only the "serious" novels that aspire to literary distinction, I should estimate that more than half of the manuscripts now in circulation belong to one of the following six varieties:

1. There is the novel about the sensitive and so artistic young man who pities himself with good reason. His life has been ruined, not by the world—as in the case of his 1920 uncle—but simply by the blindness of his possessive mother. In the end he commits suicide or murder, or both (see *The Christmas Tree*, by Isabel Bolton), or marries and is killed by his wife, or, in a happier version of the same story, escapes from the mother and comes to New York, where he finds release in the company of other sensitive young men. This fairy-Freudian novel doesn't often reach the bookstores, but it provides a high proportion of the manuscripts that publishers reject.

2. There is the adventure story that starts in a familiar setting, realistically presented, but then becomes more and more fantastic, more confusing to the reader, until he discovers that the author is trying to find symbols, symbols, symbols for the moral chaos of the modern world. This novel is often brilliantly written and it is sometimes accepted and printed—with a dust wrapper that mentions Kafka and Graham Greene—but it never has much sale.

3. There is the satirical and slightly surrealistic novel about the rich young man surrounded by mad bohemians. Usually the scene is Greenwich Village, but it may also be the upper East Side or the American colony in Florence or Rome. Like the symbolic adventure story, this novel is sometimes brilliantly written, but it is never published except at the author's expense. I can't explain the reason, but the Greenwich Village novels that reach the bookstores (like *Who Walk in Darkness* and *Go*) are always naturalistic and deadly serious.

4. There is the novel about the puritans abroad. Some well educated young Americans are traveling in Italy, Spain or one of the Arab countries. They come in contact with peasants or bedouins who, by their physical vitality and readiness for action, reveal the essential bloodlessness of the travelers. The novel takes one of two turns: either the Americans are morally ruined by trying to imitate the peasants, or else (in memory of E. M. Forster's *A Room with a View*) the hero and heroine are redeemed into their natural, passionate selves.

5. There is the tender, nostalgic novel about the world of childhood, usually written by authors who feel surly and cheated at being forced to grow up. They tell how boys and girls revolted against the mean hypocrisy of their elders. Often (as in Truman Capote's *The Grass Harp*) the children are aided in their revolt by old persons with childlike hearts.

6. There is the novel about the obsessive pursuit of some animal—fox, bear, deer, mountain lion or very large fish—that becomes an almost supernatural beast and ends by symbolizing the indifferent or malignant forces of nature. Several of the great American stories have dealt with this theme, as witness Faulkner's *The Bear* and Hemingway's

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A GERMAN ROMANTICIST

POEMS, by Friederich Hoelderlin, translated by Michael Hamburger (Pantheon, $3.50).

LIVING in times like ours, there is some consolation in reflecting that certain works written long ago and concealed in disapproving obscurity, have achieved fulfillment in our troubled minds. For his contemporaries, Hoelderlin was an over-enthusiastic romantic idealist early stricken by Apollo and turned to a madman. Out of the wreckage of his life, a legend and some letters which scholars could work on survived, and a few strange and exquisite poems flowered in the anthologies. It was only in the years immediately preceding the First World War that he was edited by Hellingrath, the young disciple of Stefan George, later killed in that war. Since then an immense work has been performed by scholars, which is still continuing (as I saw some months ago when I was there) in the Hoelderlin Archives at Tuebingen.

A weakness of Mr. Hamburger's in other ways excellent introduction to his rather less excellent (though still outstanding) translation is his tendency to fall into the easy temptation to adopt a superior attitude to those who did not appreciate Hoelderlin in his own day. It was not until he was mad, Mr. Hamburger writes—not altogether justly—and had "become one of the rare monsters" that "he could be appreciated as a poet by his compatriots." A contemporary of Goethe and Schiller might reply that it shows a lack of balanced judgment in our day—looking at the matter from theirs—that a statement can appear in this edition linking Hoelderlin's *Patmos* with *The Divine Comedy*, when Mr. Hamburger writes that perhaps no other author but Dante "has succeeded in conveying divine mysteries in a manner so powerful and direct." Even to me, a contemporary of Mr. Hamburger, this reads oddly; for though it is strictly true that both Dante and Hoelderlin are "powerful" and "direct," their powers and directions move inversely.

Apart from one or two such oddities though, Mr. Hamburger's introduction is impressive for scholarship, for what one can only describe as an impassioned re-statement of the Hoelderlin story, and for some very useful critical asides.

The power of Hoelderlin's poems lies in his pushing certain states of consciousness to the point where they almost—and sometimes in fact do—tip over into inexpressible incoherence. In the early poems he canters the ideals and rhythms of Schiller at a hectic speed and with an ethereal abstractedness unattained even by Schiller. This is what we can least tolerate of his work today, and what his contemporaries most liked. We make similar objections to the idealized style of his poetic novel *Hyperion*, very interesting in theme and matter, but almost unbearable to our present-day taste. Perhaps where we could most meet the judgment of his contemporaries is in admiring the odes and elegies of his middle period, where his idealism becomes fused with love of nature, and harmonized by a warmly human feeling rare in Hoelderlin.

Hoelderlin, like the English Romantics, belongs to the first generation of poets reacting to the industrialized Europe which followed on the French Revolution. Like them—however strange he may seem to us—he seems modern because he is in the same industrialized boat as ours, and he was sea-sick with a complaint which is also ours. He and a few others perhaps seem close to us because like us they reacted violently to their time, whereas some of the intervening generations of poets adapted themselves to a storm which has struck us in the Twentieth Century with renewed force, after the comparative lull of the mid-Nineteenth Century.

Hoelderlin took a catastrophic view of the history he lived in, and reacted towards the values of classical Greece. Perhaps no poet has expressed more forcefully the impact of a passionately imagined past on a present disorder than he in his invocation of a Greece which has a primitive force in his poetry. It is not the Greece of classical scholars, but the Greece which struck Nietzsche with the idea of an archaic statue smiling with open eyes into a night of terror, and the Greece that froze Rimbaud to the bones while he wore his one torn great-coat like an ideal under the Paris bridge in the winter of 1870.

Like Nietzsche after him, Hoelderlin saw that the only way in which he could heal the split between his body living in Germany and his spirit inhabiting Olympia, was to identify Greece with Germany. Hence the Poems on the Rhine and other German themes, the heart-breaking attempt in *Patmos*, where Hoelderlin tries to reconcile Christ with Zeus, to bring his own song back to Germany.

The attempt failed because the elements split apart, Hoelderlin wandered to Bordeaux discovering in the course of his journey that "The athletic character of the Southern peoples, in the ruins of the ancient spirit, made me better acquainted with the true individuality of the Greeks." His poems, written just before his years of obsequious madness, are incoherent, but they have the blinding quality of lightning and volcanoes.

STEPHEN SPENDER

CHIANG'S CHINA

THE THIRD FORCE IN CHINA, by Carsun Chang (Bookman; $3.50).

THIS BOOK is not what its title suggests—a description or an evaluation of contemporary third force movements—but rather a post-mortem on Chiang Kai-shek's mainland government and on United States policies toward China. In his foreword and again toward the end, Mr. Chang mentions a currently operating third force, but we learn next to nothing about it.

The post-mortem is worth our cautious attention. The author, who identifies himself as a Democratic Socialist, was a prominent member of the Democratic League, a group of minor Chinese parties which tried for several years to effect a reconciliation between the Nationalists and the Communists. Like many another honest man who has struggled for an objective and lost, Mr. Chang is sometimes slow to perceive that what seemed like a good fight at the time may not have been as proper as it looked. The result is a valiantly reasoned conclusion to the effect that—except for Kuomintang corruption, Chiang Kai-shek's authoritarianism, Communist fanaticism, and well-intentioned Ameri-

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can bumbling—the Democratic League would have succeeded in its reconciliation efforts and all would be well in China.

Many acute observers will share Mr. Chang's opinion that the establishment of the Communist regime resulted partly from Chiang Kai-shek's unpopularity. Year after year passed, and the Generalissimo allowed his people no experience in self-government: no parliament; no responsible cabinet; no freedom of press or association; no channels for legal opposition. The results included graft, nepotism, factional maneuvering, military disloyalty and corruption, inflation and administration "by mood and whim." Opposition grew, and Mao Tse-tung and his followers aggravated and exploited it.

Mr. Chang is quite understandably convinced that the Chinese Communists are utter fanatics who were determined all along, by fair means or foul, to extirpate the Nationalist government, and he warns other Asian countries, especially India, to have no truck with them. Co-operation, in the Communist manual, is only one more tactic of deception; let the collaborator beware! And yet, arguing in almost the same breath, Mr. Chang insists that China could have been saved in 1946-7 by what the Democratic League was pushing for: a "democratic coalition government" of Nationalists and Communists. He seems more than half convinced that Mao and his followers would have behaved well enough if only the United States, by force or otherwise, had stopped the civil war, had fathered a coalition government and—by setting up a second coalition government in the Northern Provinces—had halted the Russians in their building of Manchuria as a Communist base.

As for current Far Eastern conditions, Mr. Chang foresees World War III as next to inevitable, but argues that there are ways of strengthening the Free World's position in Asia before full-scale hostilities break out. The Western powers must show their determination to detach China militarily from Soviet Russia; must support Chiang's government on Formosa and various guerrilla bands on the mainland; and must lead Asian countries in a united action against Communism. Meanwhile, on a national level, Mr. Chang depends on liberal forces "not under the immediate control of the Nationalist government" to root out what he calls the feudalism and absolutism of the Kuomintang and, uniting with the government on Formosa, to put mainland China on a really democratic basis.

The author, I suspect, is not quite aware of the tragic denouement created by his final pleading. But there he is, symbolic of like pitiful figures in many lands, the seemingly doomed protagonist of mediation and reason. In the end he finds himself choosing the lesser of two evils—and all but convincing himself that in some odd way or another he is about to win his fundamental struggle. Let us devoutly hope that the future may prove him right. ROBERT C. NORTH

Robert C. North is managing editor of The Pacific Spectator.

A SECOND PROBLEM

NATIONALISM AND COMMUNISM IN EAST ASIA, by W. MacMahon Ball (Melbourne—Institute of Pacific Relations; $4.50).

IT REMAINS to be seen whether Asia, emerging finally from the shadow of Western imperial predominance, will succeed in creating a Third Force in world affairs, but there can be no doubt that it has already created a Second Problem no less in magnitude than the more familiar one which tends to hog the headlines. At a time when there is mounting evidence from Washington that the new administration will concentrate to an even greater extent than its predecessor on the direct issues of the cold war, it is highly useful to be presented with a book which, focusing on the East and not on Moscow, suggests at least by clear implication that the present "more positive" policy for winning the cold war might have the effect of losing Asia.

W. MacMahon Ball, an Australian political scientist who has had considerable official and unofficial contact with Asia, has attempted the difficult task of covering on a country by country basis the revolutions in process from India in the southwest through China to Japan and Korea in the northeast. Disclaiming an intention to provide detailed information or full documentation, he has given a capsule version of recent developments in each of the countries, but his principal merit lies in his effort to disentangle and examine the major elements of problem and controversy. It is a tribute to his wisdom and restraint that he raises more questions than he answers.

To the naked eye of this reviewer there is virtually nothing discernible which is peculiarly Australian in viewpoint or presentation, unless it be an admirable spirit of objectivity and detachment. In its briefest version Mr. Ball's viewpoint might be characterized as a somewhat skeptical endorsement of the general Western position with sharp warnings as to the dangers involved in the American tendency to hew to the anti-Communist line without adequate regard to the special features of the Asian scene. Thus, although he accepts the necessity of the US-UN action to meet the North Korean attack, he contends that the American-instigated declaration of China as an aggressor in Korea "was morally meaningless to the great majority of East Asians" and worked to undercut the moral stature of both the West and the United Nations in that part of the world.

It is his basic contention that the West must work with and through the three great Asian movements for independence, for a new social order, and to hold Asia for the Asians. In perhaps the most penetrating of his insights he points out that the crucial test for the West occurs when a social revolutionary and nationalist movement comes under Communist control, as in China and Indo-China. At that point, in opposing Communism, we fall into conflict with the vigorous domestic forces of nationalism and reform as well, and the sympathies of Asia are speedily alienated. Given the pungency of his views on American support for Chiang, Bao Dai, and Syngman Rhee it is not difficult to arrive at a guess as to his views on the recent decision to turn Formosa loose on the mainland. RUPERT EMERSON

Rupert Emerson is a member of the faculty of Harvard University.

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A CORROSIVE INFLUENCE

AMERICA AND THE INTELLECTUALS; *A Symposium* (Partisan Review; $1).

IN THIS SYMPOSIUM, which first appeared in Partisan Review, twenty-five essays, by as many hands, explore a series of related questions about the position of intellectuals and writers in America. There is general agreement that the intellectuals have become reconciled, somewhat reluctantly, to the political and economic realities of American life. The amazing well-being of the United States, the defensive hostility of other countries, the failure of Europe as a source of critical standards and the ominous face of Soviet totalitarianism have led them to a sense of identity with their country. However each generation has its own peculiar preoccupations; and the hesitant affirmation of our political institutions gives way to uneasiness in the face of the present cultural situation.

Twenty-five or thirty years ago, a symposium of similar intent would have excoriated the provincialism, the Babbittry of America, contrasting it with the cultural excitement which swept Europe after the First World War; one of the thirties would have been saturated with radical politics, Marxism and a large amount of historical and economic analysis. These essays become most vehement when they deal with the corrosive influence of mass culture upon the intellectual and artistic life.

Now this is a very sensitive subject, since it is just this process that European intellectuals—sometimes out of wilful blindness, sometimes from sheer ignorance—have interpreted as a major threat to the traditional values of Western civilization. It is almost instinctive to react to this far fetched charge with an indiscriminate defense of our cultural life. The fact, however, is that mass culture has created a set of gnawing, chronic problems. Its dangers are not spectacular, nor easily dramatized, but so deeply rooted in our training and our lives that no simple defense against them can be devised. Jacques Barzun, who has a delicate understanding of the pressures of mass culture, remarks:

> . . . the influences that make for mass culture come from the depths of our present life and permeate it so thoroughly that we may cease to think of them as cultural conditions at all . . . it is no use asking whether the American artist must yield to mass culture. He cannot help it. He has already yielded, in the sense just described, by merely living in our midst.

Many of these essays echo this sense of the nature of mass culture, and some even offer some small strategies to combat its effects, but few dare any detailed analysis of its pervasive influence on the person. With regard to the artist, in particular, they beg the question and remove him from the conversation by invoking spontaneous generation or divine frenzy.

In the past, the traditions of Europe have afforded the American artist and intellectual his greatest insulation against the onslaught of mass culture. Of course, there is some justification to Lionel Trilling's criticism when he points out:

> [The American intellectual] was provincial in that he thought of culture as an abstraction and as an absolute. So long as Marxism exercised its direct influence on him, he thought of politics as an absolute. So long as French art exercised its direct influence upon him, he thought of art as an absolute.

But this flirtation with the absolute, common to both European and American intellectuals, though for somewhat different reasons, served a crucial purpose. It gave those who follow the life of intellect and imagination a sense of their calling, and illuminated the values which support this life.

Of the prospects for culture in this country, the symposium can only suggest that an open society permits everything, though it can guarantee nothing. As they contemplate possibilities, many of the writers stress the necessity for a cultural pluralism, the creation of work which corresponds to the many sided face of America. In his retreat from the absolute, the artist and intellectual is asked to face up to the diversity of American life, to take sustenance from this variety and to cultivate a sharp awareness to the differences in our society; finally, to have faith that audiences exist, or will grow, to listen to his voice.

Oddly enough, it is not the one novelist in this group who speaks like this. Norman Mailer is in total disagreement with the whole idea of the symposium. He writes a thoroughly truculent piece, which, despite much of its crudeness, is probably truer to the feelings of the younger artists than the more reasoned essays of his elders.

Yet it is hard to escape the feeling that many of these writers are too com-

FREDERICK L. SCHUMAN
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ERRORS OF PSYCHOTHERAPY

by Sebastian de Grazia

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placent about the essential diversity of American life. Certainly, in a country as large as ours, there are hosts of specific problems which can engage one's energies as well as many groups, possible publics, formed by occupational, regional and older national allegiances. But the tendency toward conformity is as great as we sometimes feel in our worse moments. Sidney Hook reminds us again of the fallacy of believing that any economy uniquely entails one political way of life. In their affirmation of existing political institutions, a number of intellectuals seem to confuse their hopes with the reality, by implying that political democracy entails a cultural democracy. Yet the whole tone of this symposium, the indecisions, the evasions, the unanswered questions, suggest a deep doubt about the future.

There is little to be said about the call for a "critical non-conformism" which the editors of Partisan Review sound—except to examine the psychic and spiritual price which must be paid for such an attitude. American writers and intellectuals are pressed from every side and from within, to surrender to conformity. The struggle against these pressures is exhausting. Furthermore, non-conformism can easily lead to error and we all seem to have a dreadful fear of being wrong. Though error, conceived with spirit, may may be just the tonic our culture needs. Non-conformism should be exhilarating. The example of Bernard Shaw testifies to its life giving powers as well as to its potential for comedy and laughter. But when it is not coupled with genius of one kind or another, it is hard and often thankless work. And non-conformism joined to responsibility is the hardest work of all, since it then deprives one of the possible joys of eccentricity and inevitably leads to those central areas where the pressures to conform are at their greatest.

It may be, now, that the role of the true intellectual, and certainly of the writer, is much more modest than it once was. Yet, if he must forsake the absolute, he is still left with the task of reporting, as directly and truthfully as he can, his immediate perceptions of the world about him, in the hope that a single voice can pierce the busy noise of the great machine. KERMIT LANSNER

(Cowley, *continued from page 26*)

The Old Man and the Sea, and there is also Harriette Arnow's fine and rather neglected novel, *Hunter's Horn*. Lately, however, the theme has been tried by too many beginners, with the result that readers are losing patience. They finish three or four chapters of the manuscript and snarl, "Come out from behind those bushes, Moby Dick."

These are the six stereotypes most frequently encountered among the novels now circulating in manuscript, but there are others almost as common. There is, for example, the story of the good citizen who tries to track down a criminal and learn the motives for his crime, but ends by discovering that much of the guilt is in his own heart. First readers describe the manuscript as "that psychomelodrama." There is the story of the adolescent boy or girl who learns the nature of evil, and the list of stereotypes might be continued. The point I wanted to make was that all the stories deal with crises in individual lives and that—with the exception of the Greenwich Village novel—none of them deals even remotely with any human institution larger than the separate family.

The young authors of these novels like to describe themselves as moral realists, to distinguish themselves from the social realists of twenty years ago. But how can they be morally realistic without presenting the full background of moral decisions? In American society of our day, that background is partly institutional. One's hope of advancement, the opinion of one's colleagues, the wisdom of resisting institutional pressures, the best interests of the firm (or university or government bureau)—all these elements are involved in the decisions that most of us are called upon to make. By omitting institutions from their novels, the new writers present their characters as if silhouetted against an empty sky and end by giving them a curious effect of thinness and partial reality. I would suggest that the novelists look for new stereotypes, or none at all, or at least try to give more breadth and depth to the old ones.

ESSAYS OF ELIA

by Eric Bentley

THE STRANGE EXPERIENCE of seeing *Camino Real* divides itself into three: things you like, things you dislike, and things you are held by without knowing whether you like them or not. The script, when I read it some time ago, I disliked—partly because it belongs to the current deliquescent-rococo type of theatre and even more because it seemed far from a brilliant example of the type. The genuine element in Tennessee Williams had always seemed to me to be his realism: his ability to make eloquent and expressive dialogue out of the real speech of men and his gift for portraiture, especially the portraiture of unhappy women. *Camino* seemed wholly given over to the non-genuine element.

It would perhaps be an over-simplification to say I dislike the script and like the production. Williams may have contributed more to the production than a reader of his script would guess. Though the solemn speeches remain lifeless in the performance, the funny ones gain a good deal. Again, a reader is aware of very little besides the dialogue, he is insufficiently aware of the scenario. Williams has been arguing in the *NY Times* that an action like throwing a bag through a window may say more than words. True. And it may be the writer who conceives such an action. Nevertheless, to think of it is very little. The action has meaning only as created by actor and director. In *Camino Real*, Williams is not a dramatist but a librettist, a scenario writer.

The evening at the National is the latest essay of Elia Kazan. We are told that Kazan was virtually co-author of *Streetcar* and *Salesman* even to the extent of changing the character of the leading persons; and it is arguable that both plays would have failed without his changes. Still he had to regard both plays as a mold into which his ideas could be poured. In *Camino* it is the other way round. The production seems to be the mold, the script to be fluid. At any rate, it is Kazan's methods whose results we witness, Kazan's presence we feel most strongly.

It is a disturbing presence, as of a man

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with an ego rather than an identity, a man who is everybody and nobody, a man with more notions than convictions, a man of tremors and palpitations rather than profound feelings. Kazan goes to work on the actors' nerves like an egg beater. His orgasmic organization of scenes has become a mannerism: time after time, the slow to-and-fro of dialogue works itself up to the frenetic climax. Yet it's no use knowing he is not a good director unless you can also see that he is almost a great one.

Kazan's most commendable quality is a simple one: he is a showman. This is partly a matter of sheer efficiency; in his productions, everything is taken care of, second by second. (The layman might think this would be true of all professional theatre; actually, the theatre is second only to international politics as a breeding ground for amateurism, stupidity, and sabotage). Even if I knew I was to witness a hateful interpretation of a hateful play, I would await any Kazan production with the greatest eagerness and sit through it with constant interest and frequent excitement. He is a wizard. His showmanship goes beyond efficiency into dazzling effects of legerdemain. Perhaps the most memorable things in *Camino* are choreographic, and yet they could not have been done for Kazan by a choreographer because they are worked out in the terms of acting, not dance. One of these things is a presentation of people rushing to catch a plane. Williams made the episode symbolic by calling the plane *il fugitivo,* and having Marguerite Gautier and Jacques Casanova try to get aboard, but Kazan makes it symbolic in much finer fashion—by simple intensification of the event as we all know it. If we have sometimes to complain of neurasthenics and hysteria, there is no doubt that Kazan has found his own way of lifting a performance above the trivial and naturalistic. Conversely, when the action tends towards the artifice of dance or ceremony, he knows how to keep it anchored in everyday reality. When the others dance, the incomparable Eli Wallach mixes dancing and boxing and embarrassed awkwardness quite magnificently. Crowned king of cuckolds Joe Anthony exploits the rite of coronation for an actor's purposes, and something beautiful is also something dramatic.

Of the cast of *Camino* it is not enough to say it is a strong one; rather we should say in hushed tones that it is almost that un-American thing, an ensemble. Most of the performers are from the Actors' Studio, and bring with them the happy results of five years work together. An actor of the "British," elocutionary sort (like Hurd Hatfield) seems rather out of place among them. And yet there are two "outsiders"—Jennie Goldstein and Ronne Aul—whose different flavor is a welcome addition. They remind us that there is a whole world of theatre outside the rather enervating regions of the Stanislavsky "method" as that it at present interpreted. Bringing Miss Goldstein from Yiddish theatre to Broadway was a very happy idea. Ronne Aul, one of the liveliest figures on the American stage today, cannot be left to languish in the half-light of modern dance. If Kazan can enlarge his "company" with such astutely-chosen performers as these two he will always be able to procure twice as good a production as anyone else in town.

And the upshot? *Camino* gives Kazan more power than he has had before, but I cannot agree with those who say it exacted from him a different style because it is a fantasy. Even when confronted with "realistic" plays like *Streetcar* and *Salesman*, he gave us a phantasmagoria. Blanche's background was diaphanous walls and voices as disembodied as Saint Joan's. Willie's life was shrouded in shadow and woodwind music and ghosts from Alaska. The only difference is that *Camino* doesn't even pretend to realism. The unreal, which formerly crept up on us furtively, now meets us head on. Whether New York will prefer this I do not know. Possibly the escape into unreality was welcomed in the former plays only because it was disguised as its opposite, and now that it is overt the public will either reject it or declare it unintelligible. Possibly, on the other hand, there are many besides myself who cannot resist the wicked fascination of Elia Kazan.

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